Where to Invest for Next Five Years (Page 8)

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The Nation's Business

Costly, Needless Is Wrangle Over Rail Charters

Central Authority Is Necessary

The C. M. A. Meeting

Where Were the Big Leaders?

Newfoundland Today

Railway Fight Is Costly and Needless

THE wrangle over branch line railway charters in the mining areas of northwestern Quebec reveals the need of a national authority to control railway construction and to prevent further duplication of our already top-heavy railway structure. While the Dominion Board of Railway Commissioners must pass upon new railway mileage before it is put into operation, this body is concerned only with the quality of construction and not with its desirability. Provided a railway is safe to operate, the commission has no power to refuse a permit to operate. There is no single authority to prevent the country from being saddled with unwanted railways.

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PARLIAMENT, while it might be expected to exercise discretion in granting duplicatory charters for new roads, has never done so. Most of the thousands of miles of useless railway line now being carried at great expense to taxpayers were built under Federal charter and the fact that this mileage was duplicatory never occurred to members of Parliament as a sound reason for withholding approval. On the contrary, Parliament more often than not offered inducements to build in the form of subsidies and land grants.

Even if Parliament decided to exercise restraints in the granting of new railway charters, there is no obstacle under our constitution in the way of provincial legislatures legalizing what Ottawa condemns. True, after a provincial railway has been built, Ottawa can take possession of it by declaring it to be a work for the general advantage of Canada, but this is no cure for the disease of unwanted railway mileage.

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IN THE Canadian National-Canadian Pacific statute, Parliament no doubt believed its injunction to both major railways, to co-operate and avoid costly competition and duplication of services, would accomplish the end in view. The dispute now raging with respect to the Noranda-Rouyn-Senneterre field is convincing evidence that the statutory injunction is not sufficient.

The Canadian Pacific asked for a Quebec provincial charter to build a line in the mining area. The Canadian National felt that the C.P.R. was poaching on its preserves. It rushed to Ottawa for protection. What was the government's answer? It was to ask Parliament for authority to extend the Canadian National's lines. Inherent in this series of events is an additional inequity. The Dominion, instead of regarding itself as an independent authority, assumes the rôle of defender of one railway, and naturally the one that is publicly-owned. But this is not the more important of the public issues raised by this fight. The revealing fact is that there is no authority in Canada to arbitrate when the railways cannot agree; when governments cannot agree; when for example, the Quebec cabinet and the Dominion cabinet jump into the ring to fight each other on competitive railway construction.

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NO DOUBT there are constitutional difficulties in the way of control of railway construction. Parliament, alone, is not able to control new construction; the provincial legislatures would have to co-operate. But surely such co-operation would not be withheld from a national board, non-partizan in character, on which the provinces would have adequate representation. The need for control is urgent.

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Opportunity For C. M. A.

ANNUAL meeting of the Canadian Manufacturers' Association in Quebec City last week was not as important a gathering as it should have been. While there were some 120 registrations, it cannot be claimed that the outstanding leaders of industry in Canada were present in very large numbers or that the discussions represented the forward viewpoint of Canada's major industries. In short, the meeting was a very routine affair and did little to place a broad-gauged industrial philosophy before the public.

This was unfortunate. The technical services rendered by the C.M.A. to its members throughout the year are very valuable. Through these services to manufacturers the association is serving Canada at large. But the manufacturers' association should go further and use its annual meeting to present the viewpoint of industry to the public, to confer with other elements, such as those representing the farming community, to study out the economic and social implications of industrial policies.

If the C.M.A. were as effective in its public relations as it is in its

(Continued on page 2 col. 5)

New Political Group in Quebec Aims at Provincial Government Based on Lines of Fascist State

L'Action Liberale Nationale Platform Strikes New Note

POWERFUL FORCE

Leaders Would Decentralize Money and Industry — To Ottawa Later

By WELLINGTON JEFFERS

L'Action Liberale Nationale, that new and powerful voice rocking Quebec politics, is making the sort of appeal which swept Mussolini and Fascism into power in Italy and Hitler and Naziism into power in Germany.

What is behind the movement?

L'Action Liberale Nationale has drawn nation-wide attention because in the provincial election November last it returned 26 members headed by Paul Gouin. Joining with 16 Conservatives headed by Maurice Duplessis in a Union Nationale to defeat Premier Taschereau, it has since formed a compact body of 42 which has been a continuous threat to the 46 government members to the right of the speaker. Premier Taschereau fights back by offering them in considerable doses their own platform in the legislation brought forward and by friendly overtures to the young L'Action Liberale leader and some of his followers. So far they say that nothing else will satisfy them than the end of his regime so that they may put into practice their own ideas.

Duplessis Leads

And it looks as if they will succeed any day now. Unless they can induce 6 or 8 Government members to unite with them in a Union government, the Opposition would be in a worse case than the Taschereau government so far as carrying on is concerned. Supply has not been voted and the Opposition may lose a tactical advantage by succeeding to power now unless an election can be precipitated at a very early date.

Maurice Duplessis, able and aggressive Opposition leader, is almost certain to be Premier. He is a Conservative whose largest following now is L'Action Liberale Nationale members. He has stood mainly in the present session for honesty and efficiency in Government and for economy and better accounting. If he accedes to power it becomes very important to know what the group of L'Action Liberale Nationale members, constituting his chief support stands for.

Growth of Depression

The depression and lack of economic opportunity have given a favorable background to the pleas of the group that there should be a political evolution which will make the capitalist system spread its benefits in country and city alike.

It is pro-Quebec and pro-Catholic and pro-French-Canadian in its first appeal and anti-Taschereau and anti-everything which stands for continuation of the present economic state of affairs.

The group is a product of the depression. It has cut across party lines and has drawn into its ranks fervent adherents in city and country. Young men, priests, lawyers and farmers have thrown it their allegiance. Its appeal has been for a national restoration with the emphasis first of all and most, on restoration of prosperity to French-Canadians in the province of Quebec. They have linked it with an attack on the old political regime.

Sympathy with the ultimate aims of the group to improve the lot of citizens of the province cannot prevent many questions arising in the mind of the observer as to what of an effective nature can be done by such a group if it gets power. Can it make anything approaching a Fascist province within confederation? Will other groups arise in other provinces to co-operate with them, as many in Quebec expect?

Leaders Are Good Men

The principal figures in this group are men of family and in some cases of wealth. Paul Gouin is wealthy as a result of inheritance from his father, Sir Lomer Gouin, former premier. His grandfather, Hon. Honore Mercier, was also premier of Quebec at one time. In the great war Paul Gouin, then 20 years old, served as lieutenant in the 1st Canadian tank battalion. After demobilization he resumed his studies in law, and became a barrister in 1921. In 1927 he had gained

(Continued on page 2, col. 3)

Radical Changes Sought In Quebec's "New Deal"

Here are the main economic and fiscal reforms set forth in the platform of L'Action Liberale Nationale, the latest potent force in Quebec's provincial political field:

Economic Reforms

1. To break, by all possible means the grip of the great financial institutions, the hydro-electric trust and the newsprint trust on our province and our municipalities.
2. In order to obtain reduction of electric rates, the development by the province, as need arises, of water powers not yet leased or leased but not yet developed; with that end in view an enquiry by an independent commission to ascertain if it is in the best interests of the province to acquire gradually, at a cost permitting substantial reduction of rates and amortization of purchase price, the plants producing and distributing electricity in the province.
3. To combat the coal trust, the gasoline trust, the bread trust, resorting to state competition if necessary.
4. To combat the milk trust by uniting in a closed association all the milk producers of the province.
5. Complete investigation of the financial structures and practices of public utilities and correction of over-capitalization.
6. Tightening and strict application of the Combines Act.
7. Adoption of a policy of progressive rural electrification on the lines of the Ontario system.

Fiscal Reforms

1. Temporary legislation permitting repurchase of property alienated by sheriff's sale on mortgage loans, within two years of sale, at a price to cover capital, interest and costs.
2. Revision of interest rates on mortgages.
3. Reduction of bank interest as a stimulant to trade and commerce.
4. Conversion of provincial debt at lowest rate possible.
5. Upward revision of federal subsidies to the province.
6. Redistribution of taxes, federal, provincial and municipal, to ensure more equitable levy on commercial corporations and certain classes of individuals now enjoying unfair exemptions.

Calgary to Pay Bond Interest At 3 Per Cent

City Will Go Into Technical Default on June 15

Calgary will go into technical default on June 15, the finance committee of the city council having decided to pay interest due on $10,000 bonds at that date at the rate of 3 per cent instead of 5 per cent. Payment of interest on $47,000 issue on June 30 and $360,000 issue on July 1 will also be made on a basis of 3 per cent.

Mayor Andrew Davison, in making the announcement, asserted that technical default was necessary following unsuccessful representations to have the provincial government undertake a greater percentage of the cost of social services.

Default Not Unexpected

The default, however, was not unexpected. Early in the year Mayor Davison announced that the city would be forced to default before July 1 and in striking its 1936 tax rate the council based its budget upon a reduction in interest on the city's debenture debt to 3 per cent. An attempt was made to have the province undertake conversion of the city's debt but this proved unsuccessful.

As a result of the failure of the city to budget for full bond interest, a Calgary taxpayer and bondholders have applied to the courts for a writ of mandamus to compel the city to levy a tax rate sufficient to meet all expenditures and liabilities. Hearing of the application is proceeding.

Tashota Goldfields Trading Suspended

Stock of Tashota Goldfields, with property in the Thunder Bay district of Ontario, was temporarily suspended from trading on the mining section of the Toronto stock exchange for alleged failure to comply with the regulations of the exchange, The Financial Post is informed from official sources.

On March 9, with the stock selling at 48 cents per share, a block of 5,000 shares of treasury stock was sold to officers of the company at prices averaging 5 cents per share, exchange officials inform The Post. Later, on March 27, with the stock selling at 41 cents per share, a further block of 10,000 shares was sold to officers of the company at 5 cents per share, the Exchange claims. In neither case were Exchange officials notified of the sale until some time afterward.

May Auto Sales Up 13.7 Per Cent

Early returns of May passenger car registrations in Ontario and Quebec supplied to Canadian Automotive Trade show sales in that month up 13.7 per cent over corresponding figures for last year. Cumulative sales for the first five months of the year are up 9 per cent.

With one firm still to hear from, factory sales of members of the Canadian Automobile Chamber of Commerce are reported 26.8 per cent higher in May than for the same month last year.

Analysis of sales by the ten leading cars shows Chevrolet with the largest percentage gain in May, followed closely by Dodge and Chrysler. The increase for Chevrolet was 47.5 per cent; in Dodge 40 per cent; in Chrysler, 32 per cent. Cars to show lower sales in May compared with last year included Oldsmobile (down 6 per cent); Ford (down 20 per cent) and Pontiac (down 38 per cent).

Comparative registration figures for ten leading makes follow:

Ontario and Quebec Registrations

	May 1936	May 1935	Year to date 1936	Year to date 1935
Chevrolet	2840	1936	8595	6307
Ford	2396	2960	7543	9395
Dodge	1367	972	4020	3232
Plymouth	1340	1129	3636	3298
Oldsmobile	650	691	2142	2323
Terraplane	351	324	944	795
Pontiac	337	544	1093	1898
Buick	400	138	1462	474
Chrysler	381	289	1090	907
Studebaker	181	160	568	488

Talk Beauharnois Purchase For Que. Hydro Commission

In view of the many advocates in Quebec's Legislature of a Quebec Hydro-Electric Commission taking over enough power projects to make the public body a real factor in the province's power situation, increased interest attaches to the position of the Quebec power companies whose contracts with the Ontario Hydro-Electric Power Commission were cancelled.

Already one member has proposed that Beauharnois Power Corp. project should be taken over. It seems scarcely likely that Montreal Power would relinquish its control even for a fair figure if it thereby permitted competition against itself. Provincial acquisition of any of the projects with surplus power would affect the revenue of the profitable companies.

Leaders deny they intend trying to acquire all companies as L'Action Liberale Nationale programme ambitiously proposes but it is apparent that power will be a great factor in politics for the next decade in Quebec. Therefore politics will be a very disturbing factor also for present power enterprises, it is feared by investors.

N.B. Challenge Is Next Move In Tax Drama

Maritime Sales Tax Act Certain To Be Tested in Courts

TAX CLAUSE IN DOUBT

From Our Own Correspondent

OTTAWA.—With fear of provincial tariff walls via a B. N. A. Act amendment safely out of the way following Senate banking and commerce committee action last week, Ottawa is now worried concerning possible effects of the New Brunswick sales tax. That this measure will be challenged either privately or by Ottawa, now seems certain.

The Meighen attack on the indirect taxation clause of the constitutional amendment caught the ministry unaware. This clause was deleted by the Senate banking and commerce committee before the cabinet became alive to the situation.

Rescue Fails

Conceding the force of the Senate's criticism and equally as anxious as Senators to prevent the Balkanization of the Dominion by the imposition of provincial and discriminatory sales taxes, the government sought to rescue the policy by an amendment. An amendment was offered which it was believed would meet all the criticisms of the Senate. Under no circumstances would the constitutional amendment validate a provincial sales tax which applied discriminately upon goods brought in from other provinces.

Just what success this amendment will meet when it is presented in the Senate this week remains to be seen. One difficulty about such restrictive clauses is that they are notoriously difficult to enforce. There is much doubt therefore of the new plan proving acceptable.

Bargain Broken

Failure to revive the indirect taxation clause of the constitutional amendment would bring the entire policy in ruins. Last January when the provinces agreed to the loan council amendment, the agreement was in the nature of a bargain. The provinces gave their approval to Hon. C. A. Dunning's loan council proposal: he gave the provinces the approval of the Dominion to their proposition that provincial rights to impose sales and other indirect taxes should be confirmed in the constitution.

When the Senate destroyed half this bargain, the government found itself unable to complement the other half. While nothing was said of it, several of the provinces immediately notified Ottawa that the bargain must stand in whole or not at all. They withdrew their approval of the loan council policy until such time as the Dominion could meet their wishes with respect to indirect taxation.

To Contest N. B. Tax

Meantime, the cabinet was brought face to face with a sales tax tariff in New Brunswick and the possibility that this means of provincial tariff making would be employed by other provinces. The decision reached is to fight this menace to national solidarity: Ottawa will throw its full weight against any provincial statute which operates as a tariff on the goods of other provinces.

Whether or no the Dominion will itself challenge the validity of the New Brunswick sales tax or "assist" any company or individual who does so, is not yet clear.

Banks Reduce Interest On Commercial Loans

Since reduction of bank interest rates at the beginning of this month, a parallel reduction of one-half of one per cent has been effected in loan rates to commercial borrowers.

Over the past three years, Canadian banks have reduced loan rates more than one per cent.

Although not accompanied by a fanfare of publicity as is the case with deposit rate cuts, practically every classification of commercial loan is cheaper now than in 1933. As a consequence, more than two-thirds of deposit interest reductions effected since the advent of depression have been counterbalanced by loan rate cuts.

Considered Individually

This does not necessarily mean that all loans are granted at lower rates. It is necessary to treat each case on its individual merit. There are considerations such as amount, security, etc., which may justify a higher rate to one party than to another. However, viewing the field as a whole, the various classifications register declines varying between ½ and 2 per cent. Comparative figures giving the range of rates to various types of borrowers are as follows:

Loans	Western Canada 1936 %	Western Canada 1933 %	Eastern Canada 1936 %	Eastern Canada 1933 %
Farmers	6½-7	8-9	6	7
Commercial	5½-6½	6½-7½	5-6	6-7
Municipal	5¾	7	4½-5	6-6½
Brokers	5½	6	4-4½	6-6½
Customers against securities	5½-6	6-7	5-5½	6-6½
Grain	4½	6	5	6

Beauharnois' Affairs Again To the Fore

Montreal Power Sponsorship of Reorganization Mooted

From Our Own Correspondent

MONTREAL.—Affairs of Beauharnois Power Corp. are again to the fore with the suggestion that a plan for the reorganization of the company is in the making. Though there is no official confirmation, it is reported that holders of the operating companies 5½ per cent first mortgage bonds might be offered Montreal Power's 3½ per cent first mortgage and collateral trust bonds. On the strength of this rumor the two Beauharnois issues advanced several points in value.

In well-informed quarters this reported plan is regarded as "kite flying" to see what the reaction would be to such a proposal. Montreal Power is vitally interested in the future of Beauharnois, and there are a number of reasons why an early reorganization should be effected.

First Mortgages a Problem

The loss of the Ontario Hydro business crippled earning power. Its principal and practically only source of revenue is Montreal Power. This income is not sufficient to meet interest charges on Beauharnois Light, Heat and Power Co.'s 5½ per cent bonds, so that there is no revenue available for Beauharnois Power Corp.'s 5 per cent bonds.

If interest payments can be maintained on the operating company's bonds, there is no immediate need to carry out a reorganization, as the interest charges on Beauharnois 5's does not become due until April 1, 1938.

With the outlook for replacing the Ontario Hydro business rather obscure at this juncture, conditions would appear favorable for effecting a reorganization.

Montreal Power's Interest

Montreal Power would probably like to see an early settlement of the company's troubles. Not only is it the purchaser of a large block of energy from Beauharnois, but also it holds a substantial amount of the Beauharnois bonds and a minority, if not a controlling interest in the common stock.

Highlights

Newfoundland Ho!

Commission government comes to grips with economic problems and makes far reaching plans for the future. Britain's oldest colony in review. Special Section.
Pages 15 to 25.

Common Stocks

Field of consumers' goods and services holds investment possibilities.
Page 8.

Roving Commissioner

Sir John Hope Simpson, Newfoundland's commissioner of natural resources, doing the biggest job of a colorful career "in retirement."
Page 17.

A New Bank of Canada

Sweeping powers of control, vested in government appointees, will follow amendments to Bank of Canada Act. Private shareholders to have only a minority voice. Page 14.

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Hitting "Those Capitalists"

Comparatively Poor Suffer When Bond Interest is Defaulted or Cut

WHO is it that is hurt when a city defaults on its bonds, or a province decides to reduce its interest charges? Usually the politicians talk about Human Rights versus Property Rights. They talk about the hardened capitalists. They ask the "big institutions" to take a cut in their wages all along with everyone else.

Let us track down some of these capitalists, these investors. Alberta is a good starting point, for Alberta plans to halve the interest rates on its bonds.

Obviously Alberta's proposed reduction of interest payments will have adverse effects on the income of insurance companies, banks, trust funds and similar bulk savings funds. Reduced income on such funds comes directly off the income of the thousands of thrifty people who save a little for a rainy day and for old age.

Hamilton firemen's benefit fund has $70,000 invested in Alberta bonds on which it stands to lose income of $1,400 a year.

Calgary police and firemen's pension funds have about one-quarter of their investments in Alberta bonds upon which income will be cut in half.

Calgary's sinking fund will suffer a loss of income on over $900,000 of investments in bonds, guaranteed securities or savings certificates of the province.

The United Church of Canada holds substantial amounts of Alberta bonds largely for its pension fund upon which superannuated ministers and widows are dependent for small allowances.

Saskatoon holds some $850,000 of Alberta or Alberta-guaranteed bonds in the sinking fund it collected from its taxpayers.

Winnipeg sinking fund trustees hold over $1,400,000 of Alberta bonds, some being for the civic pension fund upon which income is already inadequate, so that reduced income in the fund will weigh on school teachers, taxpayers and similar groups.

Edmonton Public School District holds over $170,000 of Alberta bonds in its sinking fund and the city has nearly $800,000 of Alberta or Alberta-guaranteed securities, representing the taxpayers' money.

Port Arthur has some $222,000, Fort William about $375,000 of Alberta securities in sinking funds, bulked savings of their citizens.

Ottawa has $555,000 of Alberta bonds in its sinking fund and another $65,000 in pension funds, annual loss of income being placed at $13,475, of which $1,675 will come off civic superannuation funds.

The Canadian Red Cross Society and the **Salvation Army** were fortunate in disposing of their Alberta bonds some time ago; otherwise their funds for the assistance of the lame, the halt, the blind and the aged would have been pinched; someone else, of course, suffers.

Unnumbered small communities throughout the four western provinces find their sinking funds heavily loaded with Alberta securities upon which they will suffer serious losses of income; such as **Kelowna**, B.C., with $18,000 and **North Battleford**, Sask., with $99,000 or 20 per cent of its sinking fund.

Toronto police and firemen's pension funds hold about $80,000 of Alberta bonds, which, fortunately for ageing defenders of life and property, is a comparatively small proportion of the total of the funds.

Vancouver holds $1,190,000 of Alberta bonds on which income of $53,444 annually will be halved when the city and its taxpayers need the money.

How long will it take Canadians to recognize that government and municipal bonds are held less by the wealthy than for the benefit of the comparatively poor; that what the taxpayers save comes out of the pockets of other people very much like themselves.

Hinde & Dauche Profits Higher

Hinde & Dauch Paper Co., Toronto, has had improved operations in the first five months of this year, compared with the same period of 1935. Profits show an increase of 25 per cent over the 1935 period.

Production has been up about 8 per cent, conforming with a similar increase in the paper box and paperboard industry as a whole.

Speculative Buying Boosts Paper Bonds

Stronger Basic Situation Makes Issues More Attractive

NEW DEVELOPMENTS

From Our Own Correspondent

MONTREAL. — Newsprint bonds moved up sharply this week and with the advance came the usual flock of rumors to account for the higher values.

Consumption of newsprint paper has never been higher; plant operations are the best reported in many years, while recent financial statements indicate that with an advance in the price of newsprint profits will move up substantially.

Despite the improvement in the basic situation, the relatively sharp upturn this week can best be described as a technical move. One Montreal dealer bought a large block of Lake St. John Power and Paper and Consolidated Paper bonds at the market. The price advanced. Other dealers "got on the band-wagon" and the result was a general increase in the value of paper bonds. Then in order to explain the advance, the usual crop of rumors about higher prices, new contracts, etc., began to circulate.

The situation in the newsprint industry continues encouraging. The manufacturers are not yet out of the woods, but developments are under way which may bring about a further strengthening of the industry and lead to more definite assurance of a price advance on 1937 deliveries.

Lake St. John Prospers

The position of the individual operators also has taken on a more encouraging outlook. Lake St. John Power and Paper first mortgages sold at better than par this week. Production at the Dolbeau mill for the first four months of 1936 was about a third higher than for the same period last year, together with an advance in operating profit.

Consolidated Paper is coming along nicely. The financial statement for the past year was a surprise, profits being well above that anticipated by the most optimistic.

The principal cloud on the horizon for this company is what is going to happen in regard to interest charges on the funded debt.

Interest in Price Bros. and Co. securities has petered out, since Pacona Ltd. bought practically all the outstanding bonds.

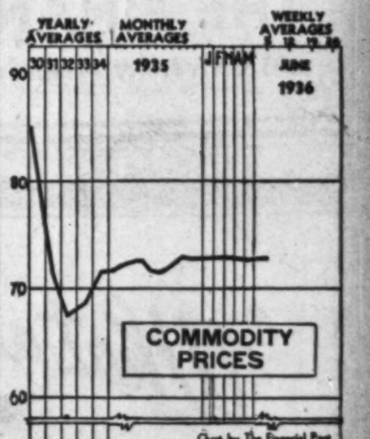
Minnesota and Ontario Paper's securities have been coming in for more attention. The receivers for this company are quietly bringing about an improvement

Interest in Others

Abitibi's bonds are still regarded as speculative. Hon. Peter Heenan's suggestion to the bondholders' committee that they hasten up the work of reorganization is looked upon as favorable to the first mortgage bondholders. However, the financial statement of the receiver for the past year was relatively poor in comparison to that brought out by Consolidated Paper and this has had the effect of dampening some of the enthusiasm for Abitibi.

International Power and Paper of Newfoundland's bonds have long been selling in the higher brackets. The betterment in the industry's outlook also has strengthened confidence in Canadian International Paper's securities, while Mersey Paper's general mortgage bonds are proving more attractive.

Great Lakes Paper bonds have risen well above 50 following recent softness because of the proposal to allow deferment of 1936 interest payments. The mill is near capacity operation.



PRICES ADVANCE

Wholesale commodity prices advanced to 72.0 in the week ended June 5, compared with 71.8 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

Mining "Wallingfords" Are Back for Killing

The activity in the Canadian mining market has drawn into the Dominion in the last few weeks some of the cohorts of the U. S. financial underworld.

Scores of these high-pressure operators were sent across the international boundary more than a year ago by the Ontario Securities Commissioner and the Ottawa Immigration Department working together. The new predatory arrivals in Montreal and Toronto have apparently lots of money and are looking over the field for issues in which they can make a real killing.

The public would do well to watch for conspicuous but suspicious bursts of activity in stocks which are much touted but not well sponsored.

MEN'S SHOP

Cool . . .
for Summer

"Huntingdon"

English Tropical Cloths

For Summer wear the Men's Shop offers the welcome coolness of "Huntingdon" suits . . . fashioned individually for you from fine all-wool English tropical cloths . . . in the traditions of fine tailoring and correct style.

Our selections of Huntingdon tropical materials, recently arrived from England, present a tasteful choice of patterns and shades, in weaves well suited to comfortable hot weather wear.

Please ask to see these suitings in the Clothing Section of the Men's Shop.

INDIVIDUALLY TAILORED FOR YOU

3-PIECE SUIT
$50.00

(Huntingdon Suits may be purchased on Eaton's Budget Plan if you wish)

Free Parking While Shopping

MEN'S SHOP
BAY STREET SECTION

EATON'S - COLLEGE STREET

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

The Federal government through the Department of Trade and Commerce is making a big drive to interest Canadian manufacturers in export markets. Half-pages are now being used in a representative list of business and industrial papers and comparable space in financial papers pointing out where markets exist abroad for the products of each individual field. Current copy is advertising the dates of foreign exhibitions, suggesting that Canadian firms take advantage of the opportunity of showing their products. In this connection the department reports that space in the Canadian section of the Johannesburg, South Africa, Fair, to be held next September, is almost entirely booked. Copy is being placed through R. C. Smith & Son, Toronto, and E. W. Reynolds Co., Toronto.

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Celebration of the 25th anniversary of the "Truth in Advertising" movement will be a feature of the annual convention of the Advertising Federation of America, scheduled for the Hotel Statler, Boston, June 28 to July 2. As usual many Canadians will be in attendance and a large delegation is also expected from the United Kingdom. Headline speakers include Bruce Barton, Maxwell Droke and E. St. Elmo Lewis.

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Advertising for sugar-Crisp Corn Flakes, General Foods product, opened a new campaign last week. Strip-picture copy relates the experiences of Captain Alan Innes-Taylor, Canadian globe-trotter, in various parts of the world, and is appearing in color in a weekly comic section. Smaller advertisements are scheduled for Ontario dailies. Baker Advertising Agency, Toronto, is directing the campaign.

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A new Shell motor oil was announced last week in color rotogravure and newspaper advertisements and billboards. Copy compares the virtues of the new lubricant with standards of a like nature already established in the readers' minds by means of simple similes. Baker Advertising Agency, Toronto, is placing the business.

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THE FINANCIAL POST
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"What about the SOUTHERN MARKET?"

Canadian manufacturers seeking to enter new markets in the West Indies, Central and South America, find a helpful ally in our Foreign Trade Department. Through this bank's Resident Managers, information can be supplied on current market opportunities, and trade connections arranged; if desired, credit information can also be furnished.

THE ROYAL BANK OF CANADA
OVER 700 BRANCHES IN CANADA AND 30 OTHER COUNTRIES

Fascist State Is Aim Of Powerful Group In Quebec Politics

(Continued from page 1)

a reputation as poet and historian. But the depression and the troubles it brought in its train have turned his attention and his mind to political and economic study.

Edouard Lacroix, M.P. for Beauce at Ottawa, is the principal experienced man of affairs in the movement. Since 1911 he has founded the Compagnie Edouard Lacroix, Ltée., the Madawaska Co. (1920) which became in 1926 the Madawaska Corp., St. George Woollen Mills (1928), Port Royal Pulp & Paper Co. (1932) and the St. George Pulp & Paper Co. at St. George, N.B. (1933). He owns all his own limits and has therefore been independent of governments in his forest operations. He gives work to 6,500 men every year, it is claimed. He is an advocate of minimum wage and of better treatment for laborers generally. He owns a farm and has ideas as to what is wrong with agriculture.

Some Older Men

Calixte Cormier, 41 years old, a Montreal lawyer, who has campaigned a great deal in Quebec, is treasurer of the Montreal division of the group. F. A. Monk, member in the Quebec Legislature, is a son of the late Hon. F. D. Monk, who had been a minister in the Borden cabinet and who resigned on a question of principle. He will be 51 years old this year and he is one of the most energetic fighters for the group. Jean Martineau, who was president of the Young Men's Liberal Association back in 1930, is another strong warrior for the new political faith. So is Hon. Jos. Chas. E. Ouellet, farmer and legislative councillor, who is 52 years old. He is a strong supporter of the programme.

Mussolini Ways Popular

"How do you propose to decentralize money?" The Financial Post asked one adherent who had campaigned last fall for the new political faith. His answer was that Quebeckers expect their programme to be acceptable to groups in other provinces and that eventually co-operative effort would secure their ends. He quoted the Italian Fascist experiment liberally, and it appears from remarks made by him and by others that, call the group what one will, there is in most adherents' minds expectations which can only be realized by a corporative state. Mussolini and Fascism are nearer the model toward which they strive than any other form of government. Their guilds, their council of experts, their plan to replace the Legislative Council—Quebec's venerable upper house—by an economic council, are all reminiscent of the syndical phase of Italy's move toward Fascism. Quebec has already copied Italy by its collective labor agreements whereby a labor agreement legally made by representative companies in an industry with their employees is made binding on all persons and firms in a district. In Quebec some disquiet has been aroused with respect to these agreements on the ground that the interests of the consumer are not represented in such agreements.

To Prevent Revolution

The province as an active participant in finance, business and industry is envisaged by leaders of the movement. Paul Gouin came out strongly for a political evolution which would make the Government an active force in industry and business. He wants small and medium industries scattered through Quebec. He wants the domestic arts of Quebec fostered by the Government actively promoting sale of products among tourists and making it a policy to furnish and adorn all public buildings with local products. He questions the value of rural credit schemes which would tend to become "purely electoral."

Mr. Gouin thinks the Canadian banking system excellent in many ways but feels that it favors the large industries.

The group leader does not commit himself as being in favor of the conversion of the debt on a basis which would save the province many millions of dollars annually but he does favor a study of the question. He believes the province should study the question of spreading the benefits from development of the mining resources of the province but he does not believe in nationalization, he says. He wants not only "some" reforms but a "whole series of reforms" to benefit every class of society.

While the legislative battle at Quebec goes on unceasingly, there are not wanting powerful appeals from outside that a strong effort should be made for a coalition government formed of members from both sides of the house and including both Gouin and Maurice Duplessis, present Opposition parliamentary leader. Premier Taschereau's masterly defense of his position, though sustained with only four majority, has made the group followers outside the House fear that their programme is in danger. They therefore advocate a National Union party such as that which took office in 1933 in England, a party which will put into effect the group's programme at once. La Province, organ of the group, has advocated union government.

Students Endorse It

One of the most significant incidents in the course of the movement is that in the campaign which preceded the provincial election last November, 5,000 students and graduates of the University of Montreal and other Quebec universities and colleges took the stump and campaigned all over the province for L'Action Liberale Nationale candidates. They served without pay and with an evangelical fervor which almost swept the firmly entrenched Taschereau government from power.

Gaze at Other Fascists

The most active minds began studying closely what President Roosevelt was sponsoring in the United States, what Mussolini was doing to Italy and what Hitler was attempting in Germany. There has been no talk of communism or socialism but the sentiment has been growing stronger every month that something should be done. They demanded that Quebec should be no longer the home of laissez faire.

Agrarian Reform is Basis

Meanwhile the foundation of the Quebec policy is agrarian reform. Leaders of the party recommend the creation of a commission of agriculture and colonization composed of independent specialists with an adequate staff. This commission is to give serious preliminary study and to elaborate a general plan to co-ordinate such departments as Lands and Forests, Agriculture, Colonization, Roads, Treasury. These are the 10 objectives which such a commission is to seek:

1. Preparation and execution of a broad plan of colonization.
2. Agricultural restoration through the capture of domestic and foreign markets, and through subsidized rural electrification.
3. Organization of local rural industry, small and medium.
4. Organization of farmers as a group (farmers' guilds).
5. Establishment of a provincial rural credit system, in order to correct the defects of the system now prevailing (Federal).
6. Protection of labor, urban and rural, particularly the lumberjack.
7. Redemption of seignorial rents by the province.
8. Collaboration with the Council of Public Instruction to adapt rural schools to rural educational requirements.
9. Organization of teaching of higher agronomy and reform of agricultural education in all grades.
10. Investigation of the Federated Co-operative, and, if expedient, payment of its debt by the government and return of this institution to farmers' organizations.

Would Capital Come?

It is apparent that if the fiscal and economic measures were pursued rigorously it would be impossible for a coming government adhering to these principles to make much headway in another objective to "attract capital to new industries."

The Financial Post put some of these objections tentatively before several members of L'Action Liberale Nationale. They denied that it was the intention to secure any of their ends by arbitrary means. They denied, for example, that it was their intention to have a Quebec Hydro-Electric Power Commission take over all plants producing and distributing electricity in the province. Their aim would be only to give such competition in certain districts as would succeed in bringing rates down to the Ontario Hydro level. It may be remarked that Hon. T. D. Bouchard, Minister of Municipal Affairs, Trade & Commerce, who is initiating such a policy, claims the same thing. He wants only to bring about rates comparable with those given householders by Ontario Hydro, he told The Financial Post.

New Republic?

It would be an error to attribute everything emanating from Quebec these days to L'Action Liberale Nationale. There are 100 battle-cries ringing from various groups of young and old citizens and some of them come from inside and many of them from outside the group.

The separatist movement for a French republic on the St. Lawrence is large enough to support its own newspaper but not large enough to lead any party or large group to sponsor it. In fact, the leaders actively disavow sharing the ideas. There is a small communist group and a small socialist group. But L'Action Liberale Nationale is the group responsible for the movement which has shaken Premier Taschereau in his throne.

News from Quebec indicates that almost any day now there may be a new party in power. The revelations as to graft in high places secured by Maurice Duplessis, parliamentary leader, have shaken the government and solidified the opposition. If Mr. Duplessis succeeds to power, his influence would undoubtedly be exerted toward modifying the riskiest parts of L'Action Liberale Nationale programme. But nevertheless at the moment it is a compound of sound and unsound, the tried and the experimental, capitalistic and socialistic with Fascist ideas apparently the most powerful and has to be reckoned with.

The Nation's Business

(Continued from page 1)

technical services it would be of even greater value to Canadian industrial development.

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Newfoundland Diversifies

NEARING completion of the term of Newfoundland's first commission government the island colony, Canada's nearest British neighbor, is embarking upon a major programme of expansion.

Convinced that the fishery can no longer adequately support all of those now dependent upon it, the government has initiated development of inland resources, turning chiefly to agriculture, mining and lumbering.

Despite the growing importance of industrial enterprises, however, it is safe to predict that for many years to come the fishery will continue to be the dominating industry of the country. Despite the uncertainty which attaches both to production and marketing of the catch, more Newfoundlanders will choose the calling of fishermen than any other.

Last year was disappointing. Sanctions in Italy, quotas in Portugal, exchange difficulties in Brazil, the uncertain political and financial situation in Spain all were factors in reducing both shipments and prices of codfish, the staple product. And the effect of these international complications so permeated the country that material improvement in industries other than fishing was more than offset.

The current year may unfold a different story; the fishery has the faculty of swinging from one extreme to another. Present indications are not altogether hopeful, however, although any improvement in the countries where Newfoundland markets her fish would naturally react favorably.

Apart from the fishery, Newfoundland presents an attractive picture and prospects for further development appear exceptionally bright. We tell of the present position of the island in a special supplement this week.

Ford of Canada Dividend is 75c

Ford Company of Canada directors have declared a common dividend of 75 cents a share on 1,658,960 classes A and B no par value common shares, or a total of $1,244,220. The dividend is payable July 11 to shareholders of record June 20, 1936.

The dividend policy of the company has been a matter of speculation for six months. The company paid $1 a share in 1933 and $1.25 a share in 1934. On May 28, 1935, the company paid 50 cents a share as it had on May 28, 1934. In 1934 there had been a second dividend of 75 cents on December 17, and so shareholders were quite hopeful last December that there would be another. The company decided it was better policy to await action at Ottawa on the tariff before deciding on government policy. Now they get the 75 cents. The company actually earned $1.17 a share in 1935.

Wpg. Electric Pays Interest

Directors Approve 1935 Interest on Series B Debenture

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Co. will pay interest at 4 per cent on general mortgage bonds and debenture stock series B for 1935, according to an announcement made by the directors following the annual meeting of shareholders.

Negotiations for sale of the company to the City of Winnipeg have been discontinued, according to a statement made by Edward Anderson, president, at the annual meeting.

Shareholders elected six directors and another six were appointed by the bondholders.

Those elected by shareholders were Edward Anderson, K.C., W. J. Bulman and W. H. Carter, Winnipeg; A. J. Nesbitt and P. A. Thomson, Montreal, and J. A. McPhail, Sault Ste. Marie.

Directors named by the bondholders were C. S. Riley and Isaac Pitblado, K.C., Winnipeg; George Kidd, Vancouver; George de B. Greene and William Ferguson, New York, and D. H. McDougall, Toronto.

Small Loan Rates Will be Surveyed

Officials of the federal treasury department will investigate interest rates charged by small loan companies following the present session of the legislature, it has been announced and, legislation relating to these companies is due for overhauling at the next session. The rate question particularly will be probed and Finance Minister Dunning has indicated that a new maximum will be set, considerably under the 2½ per cent monthly figure.

Meanwhile, incorporation of companies which will not agree to rates considerably lower than the present maximum is being refused. Applications of the Domestic Finance Corp., the Atlantic Loan and Finance Co. and the United Credit Association have been turned down.

Strength Shown In Hogs, Cattle

Weekly sales figures of both hogs and cattle show continued strength for the last period for which information is available.

Summary business figures released during the week follow:

		—Change—	
	April	From prev. period %	From prev. year %
Monthly:			
Automobile prod.:			
Passenger, No. . .	20,247	+39	—2
Trucks & buses, No.	4,704	+34	+37
Flour prod.; bbls.	1,009,464	—13	+4
Coal imports, tons	492,870	—2	—24
Auto. Financing:			
Used cars	$2,876,257	+65	+35
New cars	$4,250,685	+95	+30
Weekly:			
Car loadings, No. .	40,241	—8	—8
Cattle sales, No. . .	17,686	+34	+61
Hog sales, No. . . .	18,941	+22	+28

Ottawa Urges 3 Per Cent For Alberta

Government Seeks Compromise Between Province and Bondholders

LOAN COUNCIL DYING

From Our Own Correspondent

OTTAWA.—Despite efforts of the government to placate the Senate, the loan council constitutional amendment seems to be doomed.

While doing its utmost to save the amendment, the government is definitely looking to a voluntary conversion of Alberta's debt as the safest way out of the present difficulty.

Propose 3% for 4 Years

The Dominion government is using moral suasion to the utmost to convince bondholders that their best course is to make a deal with Mr. Aberhart.

The proposition favored at Ottawa is that the bondholders should look into Alberta's finances and agree to take a cut in interest for four years. Mr. Aberhart proposes to pay 2½ per cent. It is thought he would jump at a proposal from the bondholders to pay 3 per cent. This would see Mr. Aberhart through the balance of his term and in 1940 the financial situation might be entirely different.

If such a deal can be worked out, it is felt here that it would be workable also for the other three western provinces and will banish all danger of provincial defaults. The credit of the country as a whole would be greatly strengthened, it is believed.

Council and Default

This, of course, leaves the loan council policy hamstrung and the whole proposition of conversion of provincial debt under Dominion guarantee death-stricken. As noted in The Financial Post last week, the Dominion is vitally concerned in the default of any province. The idea that Alberta can be isolated and allowed to go her own way has been abandoned.

With the loan council scheme a failure, it is apparent that the Dominion government is deeply interested in the effort now under way to bring on discussions at an early date between Mr. Aberhart and the bondholders of Alberta.

Committee Goes West

A committee of 9 members representing bondholders has gone to Edmonton to discuss the Alberta debt situation with Premier Aberhart and his cabinet.

Representatives from Calgary and Edmonton bondholders' committees will join the committee for conferences with the Alberta government, so that the bond group will number 11 or more.

The 9 committee men are:

Alfred Hurrell, Newark, N.J., vice-president and general counsel of the Prudential Insurance Co. of America;

Dr. Robert H. Laird, Toronto, treasurer of The United Church of Canada;

A. J. Mitchell, Toronto, director British Empire Trust Co., London, England;

Dr. John McKay, Winnipeg, principal of Manitoba College;

C. C. Ferguson, Winnipeg, general manager Great-West Life Assurance Co.;

G. W. Spinney, Montreal, assistant general manager Bank of Montreal;

J. M. Macdonnell, Toronto, general manager National Trust Co.;

J. Courtland Elliott, Toronto, A. E. Ames & Co.;

A. H. Williamson, Winnipeg, Wood, Gundy & Co.

Bond Sales

New Brunswick

The province of New Brunswick has sold $5,342,000 of bonds to a syndicate composed of Bank of Montreal, Royal Bank, Dominion Securities Corp., A. E. Ames & Co., Wood, Gundy & Co. and Eastern Securities Corp. The issue is divided into two allotments: $2,000,000 of 3 per cent 10-year bonds which were sold to the syndicate at 98.569 and $3,342,000 of 3½ per cent 20-year bonds at 98.37. The 3 per cent 10-year bonds have been sold privately and the 3½ per cent 20-year bonds offered to the public at par.

Weekly Record of Financing in Canada

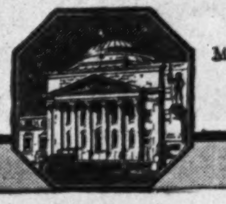
SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Antigonish County, N.S.	May..	J. C. Mackintosh & Co.	4%	20-yr.	$30,000	100.52	3.96%
St. Andrews, N.B.	June..	Eastern Securities	4%	20-yr.	40,000	*101	.....
			4%	25-yr.	65,000		
Provincial—							
New Brunswick	June..	Dominion Securities and Syndicate	3%	1946	$2,000,000	....	.....
			3½%	1956	3,342,000	100	3.50%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Newfoundland Light & Power	June..	Royal Securities Corp.	5%	1956	$450,000	99½	.....
C. Bishop of Chatham, N.B.	June..	Irving, Brennan & Co.	4%	15-yr.	150,000	100	4%
Stock Issues—							
Brantford Cordage	June..	A. E. Ames & Co.	5%	1st pfd.	40,000 shs.	24.50	5.3%
Split Lake Gold Mines	June..	Direct	....	....	200,000 shs.	40c	.....

*Offering price.



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Established 1817

MODERN, EFFICIENT BANKING SERVICE
. . . *the outcome of 118 years' successful operation* . . .

HEAD OFFICE MONTREAL

For that Day of Days..

The popularity of June weddings is traditional . . . the popularity of SIMPSON'S with many of Toronto's better-dressed men also is traditional.

If you are attending a wedding this June, as groom, best man, usher, "proud father" or merely as a guest, we invite you to drop into The Store for Men and talk over the sartorial side of the situation. Here you'll find a complete selection of what is correct and smart for the occasion. Silk hats ($12), gloves (2.50 and 3.50), and other accessories on the Street Floor . . . Three-piece morning suits (tailored to measure, 52.50 up), (coat and vest $40 up), trousers (12.50), and double-breasted grey vests ($10) on the Second Floor.

Simpson's

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO - KIRKLAND LAKE

Strength to Strength

Since the opening of its first office in 1871, The Dominion Bank has forged steadily ahead, never spectacularly but always naturally and healthfully. Without recourse to absorptions or amalgamations but simply by linking prudence with enterprise, it has moved along from strength to strength, matching its own growth with the growth of Canada. 380

THE DOMINION BANK
ESTABLISHED 1871
C. H. CARLISLE, President
DUDLEY DAWSON, General Manager

Capital Paid Up - - - - $7,000,000
Reserve Fund and Undivided Profits $7,592,000

U.S. Pine Talk Not Worrying Newsprinters

Optimistic Claims of Herty Have Yet To Be Proved

HEARD BEFORE

From Our Own Correspondent

MONTREAL. — Shifting of the newsprint industry from Canada and the Northern United States to the Southern States through utilization of the fast-growing southern slash pine as raw material for paper making, has been threatened so long and so often that like the old cry of "Wolf! Wolf!" it no longer causes serious misgiving.

Within the last two years there has been a growing amount of publicity on southern pine as a source of newsprint paper. It is advocated on the ground that American publishers would become independent of foreign sources for their supply of paper; it can be produced in large quantities and at less cost than Canadian newsprint.

Herty Takes Leadership

Chief apostle of southern pine is Dr. Charles Herty, director, Pulp and Paper Laboratory, Savannah, Ga. He has done a great deal of important research work in connection with the exploitation of this material and is endeavoring to secure financial backing for the establishment of a commercial mill.

Before Dr. Herty appeared on the scene, the Arthur D. Little Inc., a well-known chemical research organization, spent large sums of money on the problem of converting southern pine into newsprint and eventually withdrew from the field.

The Southern States have long been known as a source of pulpwood supply. Many years ago capital was attracted to the area for the manufacture of kraft paper. International Paper and other operators went into the field. For a long time the quality of the kraft was not equal to that produced in the Northern States, but through a process of trial and error, the quality has been brought up to that produced elsewhere. Today a large percentage of the kraft paper requirements of the United States is supplied from the Southern States.

Why Not Newsprint?

But what about newsprint? If kraft paper could be produced why not newsprint?

Dr. Herty claims that prejudice against pine as a source of pulpwood and general financial difficulties have held back development of an industry. There are other detracting factors which are mentioned casually or even overlooked.

Resin is Handicap

Dr. Herty is quoted as saying that the general belief that newsprint could not be made of southern pine because of the excessive amount of pitch in the wood, is only a myth. "But with the younger and smaller trees we propose utilizing for pulp," he goes on to admit, "there is none of this resin or at least not a great deal more than you have in spruce. In any case there is not enough to hurt."

From Dr. Herty's own admission the resin is a problem. However, it will be admitted that there is no reason why a method cannot be found to eliminate resin and so make pulp for newsprint paper.

Trial Test Not Conclusive

Not long ago southern pine pulp was run through paper machines at Thorold, Ont., and the resultant product used by some of the southern newspaper publishers with satisfactory results.

This pulp undoubtedly was "hand-treated" and could hardly be classified as typical of production on a commercial scale. It is safe to say that the experimental newsprint made from southern pine to date does not compare favorably with the Northern United States or Canadian newsprint paper as to appearance, strength, inking qualities, or those other attributes of good paper.

The next consideration of this "threat" is costs, and capital requirements.

Production conversion costs, aside from depreciation, as based on a unit of 150 tons a day, are calculated by Dr. Herty at $19.06 a ton. This is a most impressive figure and certainly lower than that reported by Canadian or American mills.

It is not proposed to analyze in detail the figures which go to make up the conversion costs of $19.06 a ton. The principal point of concern to the publisher and the manufacturer of newsprint, is what will it cost to lay down paper at the printing plant. The $19.06 makes no allowance for taxes shipping, costs, depreciation and depletion, selling charges, factory burden, capital costs, all of which charges must be considered.

Practically every major item of expenditure on conversion of southern pine into pulp and paper could be questioned. The figures quoted by Dr. Herty would appear to be a theoretical minimum and actual commercial costs could conceivably run much higher.

If Dr. Herty's claims can be substantiated there should be no difficulty in raising capital. All the banks in the United States are not tied up with the existing newsprint manufacturers. The assurance of a fair profit at the present selling price of newsprint and much larger profits when prices advance, should be sufficient inducement to attract all the capital needed to establish a mill in the Southern States. The fact that such capital has not been forthcoming before this would clearly indicate observers are not so wholly convinced of the feasibility of southern pine for newsprint paper as are Dr. Herty and his supporters.

Some day newsprint will be manufactured in the Southern States, but there is no near-by danger of the centre of the industry being shifted from Canada to below the Mason-Dixie line.

In the meantime Ontario Paper Co., owner of the Thorold, Ontario plant where the experimental newsprint from Southern pine is understood to have been manufactured, is going ahead with an investment of $6 millions in a brand new Canadian newsprint mill. This is on the north shore of the St. Lawrence River, 200 miles below Quebec City. Such a development indicates little fear of a lost market for Canadian newsprint.

Calls Estimates Deficient

"Rainbow chasing" is the phrase used by Royal S. Kellogg, secretary of the Newsprint Service Bureau, New York, to lead off a memorandum on the Herty southern pine newsprint scheme and proposals for the manufacture of newsprint in Alaska.

Commenting on the article in The Financial Post in which the southern pine plan was outlined, Mr. Kellogg says there is "no possibility" of such a cost differential in favor of southern newsprint over the northern states and Canada as the $20 claimed by Dr. Herty.

The figure of $4.60 for wood cost per ton of paper is claimed by Mr. Kellogg to be "too optimistic for a long-time operation. It does not make sufficient allowance for the original cost of timber, the cost of cutting and cost of transportation to the mill."

Dr. Herty's other estimated production costs, Mr. Kellogg points out, are based on 100 per cent operation of the most efficient character and with no allowance for contingencies. "Such conditions never prevail for any length of time in any undertaking," says Mr. Kellogg.

Mr. Kellogg also considers Dr. Herty's estimates of capital charges deficient and he points out that he makes no allowance at all for delivery charges. Adding $5 per ton for delivery, the cost of southern pine newsprint f.o.b. New York would, even on the most favorable figures assumed by Dr. Herty, be $36.70 per ton. This total is made up as follows:

Wood	$ 4.60
Other supplies	3.58
Supervision and labor	5.08
Fuel and power	5.50
Taxes, selling, misc.	1.30
Depreciation	4.48
Total mill cost	$24.54
Capital charges	7.16
Delivery	5.00
Total f.o.b. New York	$36.70

Four Paper Mills Mooted for South

Plans have been completed for the erection of three new kraft pulp and paper mills in the Southern States, according to the Paper Mill. One will be built by Container Corp. at Fernandina, Florida, one by the West Virginia Pulp & Paper Co., at Charlestown, S.C., and the third by Meade Corp. acting in a management capacity for the estate of the late Alfred duPont at Port St. Joe in Florida.

In addition Business Week reports this month saw plans discussed for still another southern mill to cost approximately $5 millions. Presumably all will use southern slash pine, though whether they will manufacture newsprint, and, if so, on what scale, is not known. So far there has been no commercial production of newsprint in the south.

Frost Steel Joins In Welding Company

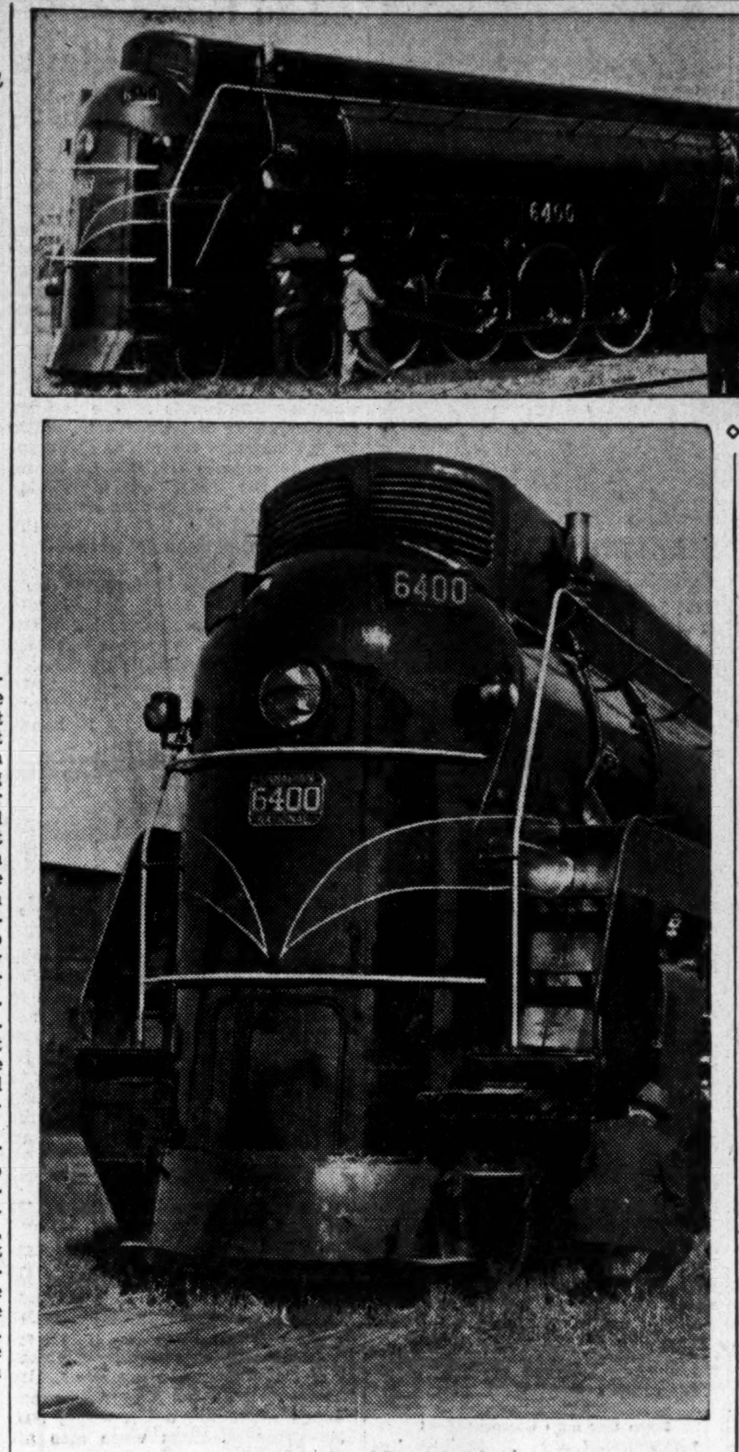
Frost Steel & Wire Co., Hamilton, in conjunction with Una Welding Co., Cleveland, has formed the Frost Una Welding Co. to manufacture a complete line of protected arc and other welding rods.

Manufacturing is to be carried on in plants of Frost Steel & Wire Co. The Una Welding Co. is joint owner with American steel companies of basic patents for the use of wire rods for welding. It has specialized in processing wire for electric arc and gas welding, and will supply wire to the new company for coating and finishing.

Obituary

William Lawson, representative of the Manufacturers' Life, at Brandon, Man. He was in his 88th year.

Eric V. Walker, of the Sun Life Assurance Co. of Canada, in Montreal. He was 35.



WORLD'S LARGEST STREAMLINED "LOCO"

Outwardly lacking cow-catcher, bell, smokestack and coupler, Canadian National Railways' No. 6400—the world's largest streamlined steam locomotive—went into service this week. Canadian in design, No. 6400 follows a streamlining plan developed by the National Research Council at Ottawa and officers of the motive department of the Canadian National Railways.

More than 94 feet long with tender, the locomotive and tender in working order weigh in excess of 650,000 pounds and can attain a top speed of 100 miles an hour. Below is a close-up. Four other locomotives of the same design are in process of completion and will leave the shops of Montreal Locomotive Co. at intervals of about one week. They will be placed in service between Montreal, Toronto and Sarnia on the route of the International Limited.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Argentina—A satisfactory rainfall has created excellent planting conditions and at the same time benefitted grazing areas.

Brazil—Severe droughts in northern are seriously hampering business, but continuing good sales demand in central and southern areas is keeping the turnover generally at satisfactory levels.

Uruguay — Notwithstanding seasonal slowness in the economic situation retail trade and collections have held up well.

Chile—Buying increased during May as a result of seasonal factors and because of uncertainty as to what may develop in the exchange situation.

Bolivia—Apprehension over foreign exchange conditions and price levels keeps trade depressed.

Panama—A combination of favorable influences carried business to a high point during May.

El Salvador—Although credits and collections remain generally good the beginning of the summer season has brought the customary dullness to trading.

Cuba—Seasonal recession in business featured trade during May.

Hudson's Bay Co. Will Pay Arrears

The Hudson's Bay Co. directors in dealing with arrears of dividends on the 5 per cent cumulative preference shares, make both that stock and the ordinary stock seem more desirable from a market standpoint. The company is using its strong liquid position to reduce the par value of the preference stock from £5 to £3 10s. a share. The cash payment made on principal therefore reduced the total par value of 400,000 shares from £2 to £1.4 millions. Arrears of dividends on the portion of the principal thus cancelled will also be paid to shareholders.

Arrears of dividends on the remaining £1.4 millions will still have to be paid. The Governor, Patrick Ashley Cooper, told the shareholders at the annual meeting that "we hope to find ways and means whereby these arrears can be dealt with, and so clear the way for a modest dividend on the ordinary share capital at an early date." This happy result will follow, however, only "if the results for last year are maintained." There are 2,492,224 ordinary shares of £1 par value still outstanding.

It seems likely that the company can maintain the results obtained in 1935.

Reduce Film Tax From 5 to 2 p.c.

Distributors of films in Canada got a last minute change in the Income War Tax Act which reduced the charge by 60 per cent.

The original tax was to have been 5 per cent "imposed at the source on payments by Canadian debtors to non-residents in respect of films whether copyrighted or not." It was demonstrated to the satisfaction of the officers of the Department that a 5 per cent tax on gross remittances would have had the effect of taking the whole gross revenue of these corporations in some cases, because of the peculiar nature of the business. Few of the producing companies are making more than 5 per cent gross.

Therefore the tax was amended to provide for a rate of allowance of 60 per cent from gross remittances, which is taken to represent the amortization of the film cost. This has the effect of making the tax a 2 per cent tax

Ottawa Valley Loses in Suit

Action Against Ontario Hydro Dismissed as Ineffective

Chief Justice Rose in trial court at Osgoode Hall, Toronto, has dismissed with costs the action of the Ottawa Valley Power Co. against the Hydro-Electric Power Commission of Ontario.

The company sought to have the court declare ultra vires the Ontario legislature the Power Companies Act of 1935 by which the company's contract to supply power to the commission was cancelled.

The decision against the company was based on need for specific consent by the government to an action.

The ruling of the court did not reach the basic question of the legality of the agreements between the company and the Hydro to develop and to market power.

Notice of appeal against Chief Justice Rose's decision has already been filed by the company. In the notice, plaintiffs contend that the court "erred in holding that as judge of first instance he was not at liberty to hold that the action could be maintained without consent."

It is expected that the case will be taken to the Judicial Committee of the Privy Council by either side. If the plaintiff were to establish the right to have the courts hear the action, it may be necessary to commence the action all over again to deal with the basic questions regarding the legality of the original contracts and agreement to operate the joint development at Chats Falls.

Quality of Service

The Crown Trust Company places strong emphasis upon quality of service, recognizes conservation as a first responsibility of an executor and trustee and gives interested, personal attention to the beneficiaries as well as to property.

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John Jenkins, *Vice-Pres.* Arthur Lyman, *Vice-Pres.*
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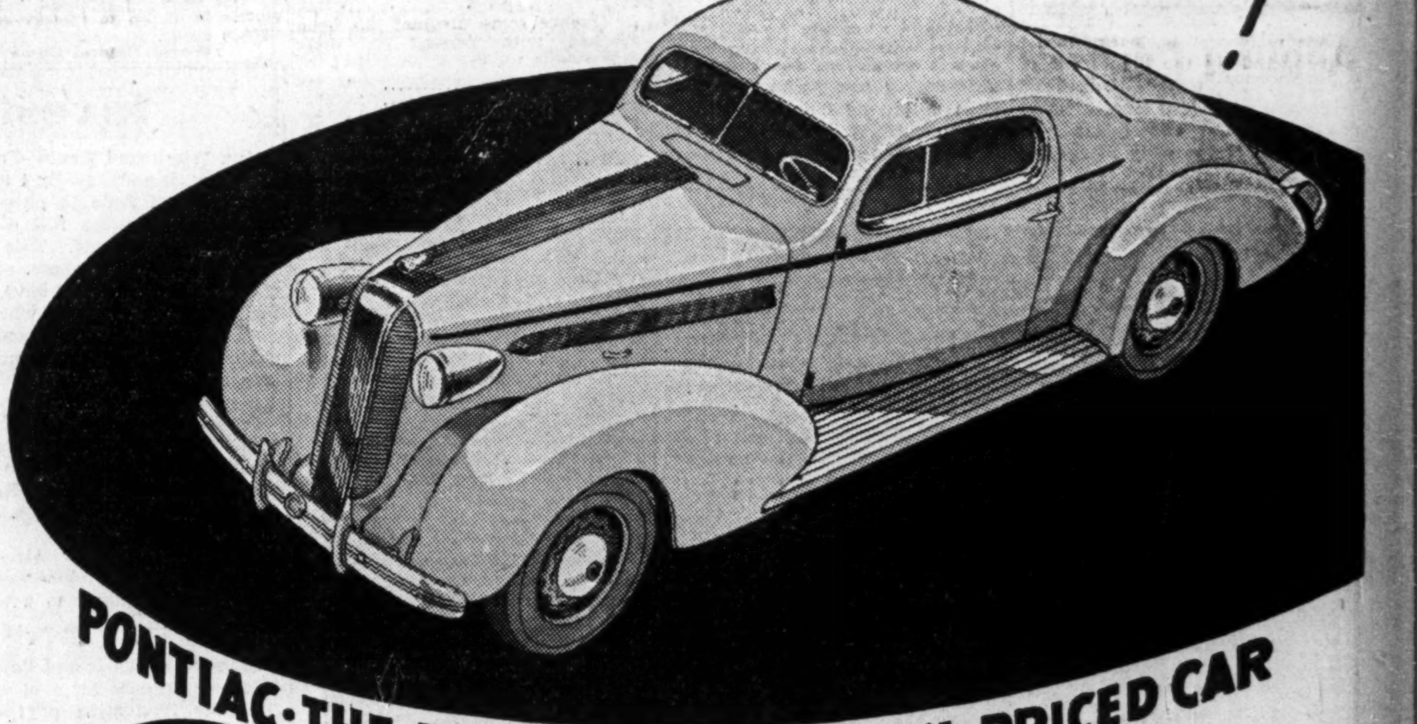

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EVERY buyer wants the smoothest-running car he can get for the money he has to spend. . . . If you're looking for such an automobile, we suggest you drive the 1936 "Silver Streak" Pontiac. One drive will prove to you that it's the smoothest car at or near Pontiac's low price. Every day more buyers are discovering that Pontiac is the perfect answer for the man who desires *both* smooth performance *and* low-cost motoring!

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AMONG PONTIAC'S 101 FINE-CAR FEATURES

Solid Steel Turret-Top Body by Fisher . . . Triple-Sealed Hydraulic Brakes . . . Knee-Action "gliding ride" (on 8 and De Luxe 6 models) . . . Fisher No-Draft Ventilation . . . Flat Level Floors front and rear . . . Double K-Y Frame . . . Safety Glass throughout the car . . . All-Silent Syncro-Mesh Transmission

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Investment Trends

Expansion in Borrowing Is Laid to Speculation

Member Loans at Toronto and Montreal Show Further Gains But Cautious Attitude Toward Industrial Issues Still Evident

Expansion in exchange member borrowings in Toronto and Montreal during May clearly reflects the continued expansion of the speculative interest arising chiefly out of revived activity in mining stocks.

In Toronto, the stock exchange reports a rise of $3 millions for the month to $29.9 millions at May 30.

The same trend is evident in Montreal, but to a lesser extent. Member borrowings of the Montreal Stock Exchange were $20.1 millions for May compared with $19.3 millions in April.

Stock market conditions affecting industrial securities are obviously not of a character to stimulate large scale trading. Until the uncertainties of both the U. S. election and the European situation are further clarified the effect of an improving business trend is not likely to be widely reflected in the industrial securities group. Mining speculation meanwhile appears to be taking up the slack.

Nervous Money

Chaotic economic conditions in Europe, coupled with war threats and ultra-nationalistic tendencies have combined to frighten European investors during the last year.

The result is seen in the heavy influx of "nervous money" that has moved steadily into the United States investment markets. The movement is continuing on the same large scale, accelerated particularly by recent developments in France.

It is estimated that within the last year about two billions of dollars in gold and silver alone have swelled the total of frightened funds entering the U. S.

Although the situation has obviously contributed to strength in U. S. investment markets and on prices of preferred and common stocks, observers are now asking what will happen if devaluation of the French franc causes a sudden reversal of the monetary flow. Such a reversal would almost certainly take place if the franc is devalued and could conceivably cause violent, if only temporary unsettlement of North American security markets. "Nervous money" is always volatile money, and it may play an important part in influencing price movements of securities on the New York and Canadian markets over the immediate near term.

Indirectly, however, it may have the effect of encouraging retention of U. S. investment funds in Canada, or possibly increasing these, since U. S. investors are alive to the relative freedom of the Canadian market from both their own pre-election unsettlement and European developments.

* * *

Currency Stability

The necessity for comparative stability of currency exchange rates is illustrated by recent trade agreements. For instance, the U.S.-France reciprocal trade agreement is hampered by the high level of the franc. The Canada-U. S. trade agreement depends largely upon stability of the two dollar currencies. It is generally recognized that the British Empire trade agreement only became fully effective when comparative currency stability was achieved between the British countries.

* * *

Moderate Inflation

New evidence of moderately inflationary influences is seen in the probability of a further rise in commodity prices in British and American markets.

L. J. A. Trip, president of the Bank for International Settlements, in his statement accompanying the bank's annual report, refers to the trend as follows:

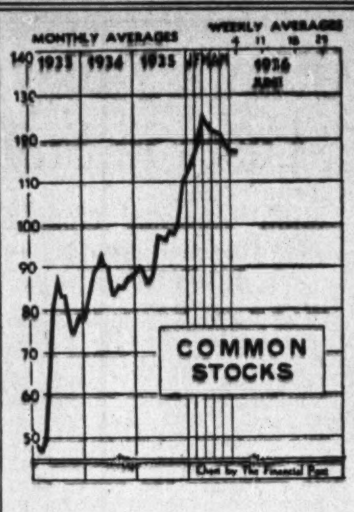
> "Assuming that about the present price of gold in sterling and the present gold value of the dollar are retained, there is a likelihood of a continued rise in commodity prices on the British and American markets. Such a rise will no doubt tend to facilitate a general return to equilibrium in the near future and should be welcomed from this point of view. But developments need watching, for a marked rise in prices is not an unmixed blessing, but brings its own dangers and difficulties."

* * *

Farm Market

THIS week Professor E. A. Hardy of the University of Saskatchewan told the House of Commons Agricultural Committee that it would take $65 millions to replace all worn-out farm machinery in his province. The statement bears out what was outlined in this column several weeks ago, that the potential market for farm implements in the west and elsewhere has expanded tremendously because of deferment of replacements.

The puzzle is, where is the money to come from? As stated before by The Financial Post, the revival in demand for farm equipment, if and when it comes, may boost shares of farm supply companies, as the revival of buying did for the automobile business. If the money can be found, the market will respond.



SLUGGISH

Common share price movements show no disposition toward recovery from closing levels of May, and although still well above the April 29 "resistance point," reflect the general tendency of industrial markets to adopt a waiting attitude.

Windsor Plan Nearly Final

Goes to Municipal Board for Official Consideration

Plan for refinancing debts of the four municipalities merged into the city of Windsor is in the final stages and will go before the Ontario Municipal Board this week, it is understood. If the Board approves the arrangement, the scheme will become effective.

The plan provides for issue of new 60-year bonds with interest rates for the municipalities as follows: Windsor, 3½ per cent; Walkerville, 4¼ per cent; East Windsor, 2 per cent; Sandwich, 1½ per cent.

Cash Payable

Cash on hand would be distributed to bondholders as part payment in full discharge of arrears of interest. Largest cash payments would be on Windsor and East Windsor bonds.

While action has been taken by a Walkerville group to upset the merger, no further progress in court has been reported. There is also a possibility of litigation over cash formerly held by Sandwich. The Imperial Bank offset the cash against its loan, giving rise to differences with municipal authorities.

Surpluses amounting at the end of 1935 to $2,875,746 stand to the credit of the four former municipalities now comprising the city of Windsor, according to the auditor's report for the year. The report comprising 92 pages and replete with lengthy tables covering all phases of the city's finances is now in the hands of civic officials. The accounts of each of the former municipalities have been kept separate.

The surplus balance of each of the 4 municipalities at Dec. 31 last is as follows:

	$
East Windsor	125,723
Walkerville	1,189,649
Windsor	1,029,108
Sandwich	531,266
Total	2,875,746

Power Break Holds Back I.P. of Nfld.

Newsprint Operations at Corner Brook Back on Regular Basis

EXPENDITURE PLANNED

Operations at the Corner Brook plant of International Power and Paper Co. of Newfoundland were adversely affected during the latter part of last January by an accident at the Deer Lake power plant, resulting in cutting off the power supply for the newsprint paper mill.

Limited operations were resumed a few days later and by the end of April conditions had about returned to normal. At present newsprint production is not far short of capacity, while the output for the year to date, without making allowance for the breakdown at the power plant, has averaged over 80 per cent of capacity.

Spend Money This Year

For the current year directors have approved a capital programme involving an outlay of nearly $700,000 at the newsprint mill and electric plant. In addition it is contemplated that further expenditures will be authorized for capital improvements at the hydro-electric plant to minimize the risk of interruption to power supply in the future. Preliminary estimates are that about $150,000 will be required for this purpose. This programme will be financed from the proceeds of $1.5 million bond issue which was sold in Canada last March.

Last year the 4½ per cent mortgage debenture stocks were called in and replaced with an issue of 3 per cent guaranteed A mortgage debentures and 3 per cent second A mortgage debenture stock.

Earn Less in 1935

Complete report on I. P. of Newfoundland's operations last year has not been made public as yet, but preliminary statements indicate that net sales totalled $6.7 millions. After deducting expenses, net profit available for bond interest was $1.5 millions. This contrasted with over $1.6 millions in the previous year. Interest charges were covered, but there was a deficit of $442,221 after setting up reserves of around $645,000 for depreciation, depletion and bond discount.

1935 Output

Output in 1935 from the 160,000 h.p. development totalled 783.7 millions of kilowatt hours. Newsprint produced amounted to 169,138 tons, a daily average of 557.9 tons. Exports of newsprint were greater than output at 174,265 tons, of which 113,000 tons went to the United States and the remainder to the United Kingdom. During the year 1,263 men were employed at the company's plant and a further $1,757 were engaged in woods operations. Pulpwood cut in the 1934-35 season was 288,000 cords.

ELECTED DIRECTOR

Announcement is made of the election of Paul E. Panneton (above) as director of W. C. Pitfield & Co., investment dealers of Montreal. He joined the firm in 1930 as a salesman and in 1935 was appointed manager of the French Department.

Easy Washing Machine Has Higher Earnings

Easy Washing Machine Co. increased its domestic sales about 35 per cent in the first five months of this year, and export sales also showed some increase, according to C. H. Legg, secretary-treasurer. Net profit has improved, and was equal to about twice preferred dividend requirements for the full year, before income tax provision.

It is understood directors will consider the question of paying preferred dividends after results for the first half of the year are known. The present policy is to strengthen the cash position before making any dividend payments.

Working capital had increased about $9,000 at the end of April, having been $123,000 at the end of 1935. Bank loans, which stood at $11,000 at Dec. 31, 1935, now amount to about $20,000. Annual dividend requirements on the preferred shares of $10 each are about $5,400.

Bathurst Power Elects New Slate of Officers

From Our Own Correspondent

MONTREAL.—A. J. Nesbitt has been elected president of Bathurst Power and Paper Co. Other officers of the company follow: Vice-president, P. A. Thomson; vice-president and treasurer, H. J. Webb; and vice-president and general manager, Gerald T. Shipman.

Three new directors were added to the Board: R. G. Ivey, of London, Ont.; Gerald T. Shipman and H. J. Webb. The other directors are: F. J. Campbell, H. P. Robinson, A. J. Nesbitt, P. A. Thomson and J. B. Woodyatt.

In the past sales of Bathurst Power and Paper Co. liner board have been made through the Gerald T. Shipman Co.; now the Bathurst Co. will handle sales direct under Mr. Shipman, who joins the company as a vice-president.

Acme Glove Pays Dividend

New Preferred and Common Stocks Put on Paying Basis

From Our Own Correspondent

MONTREAL.—Acme Glove Works has declared an initial dividend on the new 6½ per cent cumulative, convertible, preferred shares and no par value common shares which resulted from the capital reorganization approved by the shareholders some months ago.

On the preferred the initial dividend declaration is at the regular quarterly rate of 1⅝ per cent, while on the common the initial disbursement declared is 12½ cents a share, placing the issue on a regular annual basis of 50 cents a share.

J. D. Ouellette, president of the company, explained that the directors have taken a conservative attitude in regard to disbursements and have adopted an initial rate they feel can be maintained without interruption, provided business keeps up at a sufficiently good level.

Both of the initial dividends are for the second quarter of the current year, payable July 2 to bondholders of record June 20.

Additional information gladly furnished upon request.

Province of Nova Scotia
3¼% Debentures
Non-Callable
Due June 1st, 1956.
Denomination: $1,000.
Price: 99.50 and interest, to yield 3.28%

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Company Reports

Brazilian Traction, Light, Heat & Power

Brazilian Traction gross and miscellaneous earnings showed a decline from $31.2 millions in 1934 to $30.6 millions in 1935 but that net decline in gross of $652,187 did not prevent the company increasing its net profits in 1935 by $1.6 millions to $5.2 millions. This was accomplished mainly by means of the following reductions in operating and overhead expenses:

	1935 $	Decline $
Operating expenses	14,144,465	472,108
Bond interest	2,000,103	1,435,001
Sinking fund and other charges	674,406	209,696
		2,116,805

This operating revenue is equivalent to 73¾ cents a share on 7,028,057 no par value ordinary shares as compared with 51 cents in 1934. The subsidiary operating companies actually increased business but lower exchange made the dollar value less. The gross earnings were also affected by the reduced temporary rates in certain of the services as a result of the suspension by the Vargas gold decree of all rates based on the value of the Brazilian milreis in gold. A. W. Adams, secretary, states in the annual report that little real progress has been made toward readjustment of these rates.

Brazilian shareholders are most interested in the agreement of June 29, 1933, between the Bank of Brazil on behalf of the government and N. M. Rothschild & Sons providing for the liquidation in sterling by monthly installments over 6 years of certain milreis accumulations deposited with the Bank of Brazil by the participants in the arrangement including the Brazilian subsidiaries.

Use Free Market

The current assets and liabilities shown below were valued in dollars at the closing free market sight rate for exchange on New York. This accounts in part for the decline in value of current assets shown. It must be added, however, that the company shows cash increasing $2.6 to $16.9 millions although it spent $12 millions cash during 1935 in additions, improvements and replacements essential to the proper carrying on of the services. As $8 millions was provided from earnings during the year for depreciation it can be seen that current earnings have been used to a considerable extent in improving the assets of the company.

The current assets also contain an item of $4.5 millions representing temporary investments in Dominion bonds. The recent dividend of 30 cents a share on the ordinary stock came doubtless from this fund. A year earlier negotiable investments had been only $889,425.

The item described as "sundry debtors and debit balances after provision for doubtful accounts" fell during 1935 from $21.1 to $8.3 millions. A year earlier this asset had included bonds of Rio de Janeiro Tramway, Light & Power Co. bought for retirement. The $25 millions of those bonds were retired on January 1, 1935, with the help of $13.5 millions already held in sinking fund reserve.

Consolidated Earnings of Subsidiary Companies
Years Ended Dec. 31
(Excluding Inter-Company Items)

	1935 $	1934 $
Gross earn. from oper.	30,221,757	30,692,415
Net earn. from oper.	16,077,272	16,075,822
Add: Miscel. revenue	357,637	539,166
Total rev. of subsids.	16,434,909	16,614,988
Less: Deprec. & renewals	8,008,054	8,067,847
Sink. funds & other charges	674,406	884,102
Bond interest	2,000,103	3,435,104
Gen. amort.	500,000	......
Bal. to Braz. Traction	5,252,346	4,227,935
Int. on invests	77,419	63,309
Misc. income	211,987	191,065
Total income	5,541,752	4,482,309
Less: Gen. & admin. expense	331,514	346,710
Amortiz. provision	......	500,000
Net profits	5,210,238	3,635,499
Less appropriations: Preference divids.	23,604	23,604
Surplus for year	5,186,634	3,611,895
Add: Previous surplus	24,399,087	20,787,192
Bal. carried forward	29,585,721	24,399,087

Working Capital

	1935 $	1934 $
Current assets	37,105,481	46,661,476
Current liabilities	13,339,444	11,741,230
Working capital	23,766,037	34,920,246
Ratio	2.77—1	3.97—1

Union Gas Co.

Financial report of Union Gas Co. for the year ended March 31, 1936, shows 57 cents a share profit available for 706,192 no par value common shares as compared with 30 cents a share in the preceding year.

Dividends have now been placed on a regular basis of 40 cents a share per annum.

The shareholders had expected an increase in earnings mainly because the company changed over the entire city of London to natural gas on October 1, 1935. City Gas Co. of London, however, actually had by itself a substantial loss for the year after providing for interest charges and depreciation. This was due to the heavy initial expense incidental to the change-over and the advertising campaign seeking new business.

Actually the London experience has been most encouraging for the future. The expenses made to achieve the change-over include a $500,000 high pressure transmission line from the Dawn gas field to London and additional field lines, extensive alterations in the distribution plant of the London company the installation of larger low pressure lines, and the adjustment of every gas appliance in the city to receive natural gas. The London expenses alone were $300,000 and the gas manufacturing plant was shut down and must be retired eventually.

Six months after gas was turned into London a large increase in house heating was reported, there being 2,732 consumers using natural gas in their furnaces.

Other operating expenses were lower. The company has 3,106 new consumers. Though bank loans were not retired until late in the year the interest charges were reduced by the decision to pay them off and refinance with low rate bonds. In the current year the improvement will be more marked.

‡Consol. Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Net operating profit	1,261,812	954,311
Add: Int. on contr. comp. bonds	146,631	178,954
Discount earned on contr. comp. bonds	13,319	16,698
Miscellaneous	305	390
Net earnings	1,422,067	1,150,353
Less: Depreciation	410,460	307,637
Interest on bonds of:		
Union Gas	39,338	......
Windsor Gas Co.	53,835	54,708
City Gas Co. of London	12,420	12,676
Interest on bank loans	235,488	337,793
Amort. of develop. costs deferred	194,916	184,171
Provis. for inc. taxes	80,404	28,100
Disc. on bonds, w/o	6,880	......
Net profit	388,276	225,267
Less appropriations: Com. divds., Union Gas	......	70,618
Surplus for year	388,276	154,649
Add: Previous surplus	574,032	419,383
Profit on bond red.	80,486	......
Less: Bond exp., w/o	37,603	......
Balance carried forward	1,005,191	574,032

‡ Consolidated income and surplus account of Union Gas Co. of Canada, and its subsidiaries, Windsor Gas Co., City Gas Co. of London and The Empire Land Co.

Working Capital

	1936 $	1935 $
Current assets	838,052	876,891
Current liabilities	603,056	470,561
Working capital	234,996	406,330
Ratio	1.39—1	1.86—1

East Kootenay Power

East Kootenay Power Co., controlled by Power Corp. of Canada, reports that an increase of about $14,000 in gross revenue was offset by larger operating expenses brought about by the necessity of purchasing power and operating a steam plant during the low water period.

Net income at $288,734 was practically the same as in 1935, but was $2,805 short of covering interest charges.

The balance sheet does not show any major changes, demand notes held by Power Corp. now standing at $2,161,517, as against $2,135,698 a year ago.

Income and Surplus Account
Year Ended March 31

	1936 $	1935 $
Operating revenue	438,342	......
Misc. income	845	......
Less: Legal fees	1,240	......
Directors' fees	650	......
Net revenue	437,297	425,237
Less: Expenses	139,563	137,038
Prov. tax	9,000	......
Interest on notes	145,947	......
Interest on bonds	145,592	*290,004
Loss	2,804	1,805
Previous balance	52,593	54,399
Balance forward	49,789	52,594

* Includes note interest.
Note:—No depreciation in last nine years.

Working Capital

	1936 $	1935 $
Current assets	167,830	180,665
Current liabilities	2,269,925	2,243,820
Work. capital deficit.	2,102,095	2,063,155

Hudson's Bay Co.

Pamphlet report of Hudson's Bay Co. shows net profit in the year ended Jan. 31, 1936 more than three times that of the previous year.

During the year the company paid Dominion, provincial and municipal taxes exceeding $1.2 millions.

Income and Surplus Account
Years Ended January 31

	1936 £	1935 £
Income:		
Trading profit	321,058	211,681
Land dept., less tax.	29,178	34,110
Transfer fees	366	427
	350,602	246,218
Expenses:		
Governor & c'mittee	5,703	5,053
Depreciation	199,382	199,382
Auditors' fees	500	500
Archbishop of Rupert's land	300	300
Net profit	144,717	40,981
Add: Prev. surplus	69,734	28,753
Balance forward	214,451	69,734

Working Capital

	1936 £	1935 £
Current assets	4,001,387	3,397,544
Current liabilities	1,563,729	1,440,535
Working capital	2,437,658	1,957,009
Ratio	2.56—1	2.36—1

Andian National Corp.

Andian National Corp., like its associated companies, Imperial Oil, and International Petroleum Co. paid out in dividends last year more than it earned. Large cash resources enabled it to do this and with net liquid resources exceeding $28 millions, it apparently can continue such a policy for a long time. It earned about $3 a share and paid $4 a share.

There is no funded debt. Cash equals $12.7 millions and loan against collateral security of $14.6 millions equals $14.9 millions.

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Net oper. inc.	8,037,678	7,924,554
Add: Int. on loans, etc.	1,069,409	1,248,629
Total income	9,107,087	9,173,183
Less: Pay. to Colombian Govt. in lieu of free transport, of oil	123,003	139,784
Retirements	......	9,367
Exchange	......	4,199
Prov. for Colombian inc. tax	693,680	690,098
Deprec. & amort.	607,183	1,777,003
Fees, salaries, etc.	83,195	......
Net profit	7,600,026	6,553,502
Less: Prop. res. in accord. with Colombian law	662,289	571,946
Prof. avail. for div.	6,937,737	5,980,556
Less: Dividends	10,200,000	5,100,000
Distrib. surp. for yr.	*3,262,263	880,556
Add: Prev. surp.	5,511,394	7,999,375
Inc. tax adj. 1934	377,676	......
Adj. of loan int. applic. to prior periods	......	352,623
Less: Intangible assets w/o	......	3,721,165
Applic. to legal res.	37,768	......
Distributable earned surplus forward	2,589,040	5,511,394
Earnings surplus non-distributable by Colombian law	5,197,400	4,497,349

* Deficit.

Working Capital

	1935 $	1934 $
Current assets	28,906,660	30,339,017
Current liabilities	873,917	832,304
Working capital	28,032,743	29,556,713
Ratio	33.07—1	36.51—1

Dominion Textile

Dominion Textile Co.'s financial statement for the year ended March 31, 1936, shows a falling off in gross operating revenue and a deficit after dividends of $360,881 as against a deficit of $187,820 in the previous year. Income from investments was slightly larger, but operating gross profit about $370,000.

Principal changes in the balance sheet include an increase in marketable securities from $2.8 millions to $3 millions. Fixed assets dropped from $29.4 millions to $28.6 millions, largely due to the write-down of equipment transferred from the Verdun plant to other mills.

Income and Surplus Account
Year Ended March 31

	1936 $	1935 $
Gross revenue	2,322,441	......
Less: Legal fees	1,103	......
Executive salaries	66,912	......
Net revenue	2,254,426	2,618,620
Less: Depreciation	1,130,403	1,259,932
Directors' fees	10,520	10,800
Bond interest	201,371	276,075
Bond premium	2,150	4,130
Income tax	202,000	220,000
Net oper. profit	657,982	847,623
Add: Other income	466,979	450,499
Net income	1,124,961	1,298,122
Less: Pfd. dividends	135,842	135,842
Com. dividends	1,350,000	1,350,000
Deficit for year	360,881	187,820
Previous surplus	5,825,876	6,013,596
Less: Tax arrears	54,822	......
Bond discount	16,750	......
Surplus forward	5,393,423	5,825,876

Working Capital

	1936 $	1935 $
Current assets	9,835,545	9,844,155
Current liabilities	1,855,469	1,812,894
Working capital	7,980,076	8,031,261

Winnipeg Electric

Winnipeg Electric Co.'s consolidated income account for 1935, the first to be issued since reorganization, shows a gross operating revenue of about $6.4 millions and a net income of over $3.2 millions. After taking care of depreciation and bond interest and taxes, and other charges, there was a net income of $385,354 available for interest on the series B bonds.

The consolidated balance sheet shows current assets of $4.3 millions, of which about $3 millions represent cash. This compares with current liabilities of around $2.5 millions, most of which represent accrued bond interest. The funded debt, on the new basis, includes $2,395,000 of 5 per cent bonds, which will be replaced by a new bond issue of $3.5 millions. General mortgage bonds, including the series A and B amounted to $33,446,200. In addition there is outstanding $5 millions of preferred stock 283,277 Class B shares.

Consolidated Income Account
Year Ended Dec. 31

	1935 $
Operating revenue	6,352,338
Less: Expenses	3,090,226
Net revenue	3,262,226
Less: Depreciation	1,000,000
Other interest	66,201
Bond interest	1,242,598
Taxes	502,334
Bond discount	4,940
Other deductions	60,799
Net income*	385,354

* Before providing interest on Series B bonds.

Investment Notes

Can. Wirebound Boxes—Payment of 37½ cents a share July 1 to holders of record June 15 puts the A shares back on the full dividend rate of $1.50 a share. This leaves arrears at $3.25 a share. Recent dividend developments have raised the shares to $26 each where the yield is still nearly 6 per cent without counting possible payments on arrears.

* * *

Hinde & Dauch — With profits gaining, an increase in the common dividend of 50 cents a share would appear to be warranted. Earnings were $1.18 a share last year.

* * *

Canada Dry Ginger Ale—R. W. Moore, president, increased his holdings 1,200 shares to a total of 1,900 in April.

* * *

Shawinigan Water and Power Co.—Income account for 1936 will reflect the liquidation of the debt owing by St. Lawrence Paper Mills Co., provided shareholders of the paper firm approve creation of a new bond issue. At the end of last year St. Lawrence owed over $700,000 to Shawinigan. An arrangement has now been made whereby this account will be liquidated by a cash payment for a somewhat smaller sum.

* * *

C.S.L.—Prospects for additional earnings by Canada Steamship Lines this year are improved by the announcement the grain freight rates have been stabilized at 5 cents a bushel.

When rates fell from a nominal rate of 6 cents a bushel to around 4 cents, with some distress space offered at even lower quotations, earnings prospects for C.S.L. suffered correspondingly. Shipments from Fort William slowed down, but there is encouragement in the report that vessel owners have arrived at a uniform 5-cent rate.

* * *

Howard Smith Paper — Plans of Australian interests to establish a fine paper mill in Tasmania may cost Canadian makers a market valued at around $175,000 annually. It is understood that Howard Smith Paper Mills is the principal shipper of book paper to that market. The business is not essential to the welfare of Howard Smith, as by the time the new Tasmania mill is ready to handle Australian demands, the Canadian mill should be able to replace this tonnage with demands from other markets.

* * *

Textile Stocks — The one-man Royal Commission investigation into the affairs of the textile industry, has not helped to widen market interest in the textile stocks. Trading in Dominion Textile, Canadian Cottons and other issues has been limited. Though these companies are in exceptionally strong financial position, paying substantial dividends in some cases, the feeling of the investor is to hold off making any commitment until the Commission gets through its work and reports.

* * *

Noranda, Nickel—American General Corp., consolidation of 8 U. S. investment firms of the United Founders group, reports large increases and decreases in holdings in the first quarter of 1936. It sold 5,000 Howe Sound, eliminating it from the portfolio. One big purchase was 13,100 shares of Noranda increasing the holding to 18,100. Addition of 1,100 nickel, brought the total holding to 21,100 shares.

* * *

Canadian Wallpaper — Directors have recommended payment of a first and final dividend for the year ended April 30, 1936, of $1.25 a share on class A and class B shares. When approved the dividend will be payable June 29 to shareholders of record June 16. Application is being made for listing on the Toronto Stock Exchange of 23,342 class A shares and 105,904 class B shares.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	5	5	11	18	[illegible]	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	[illegible]	205.4	317.8	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	[illegible]	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
Weekly Figures, 1936:										
June 4	124.0	17.1	86.3	229.9	69.4	149.1	126.1	187.6	53.0	117.4

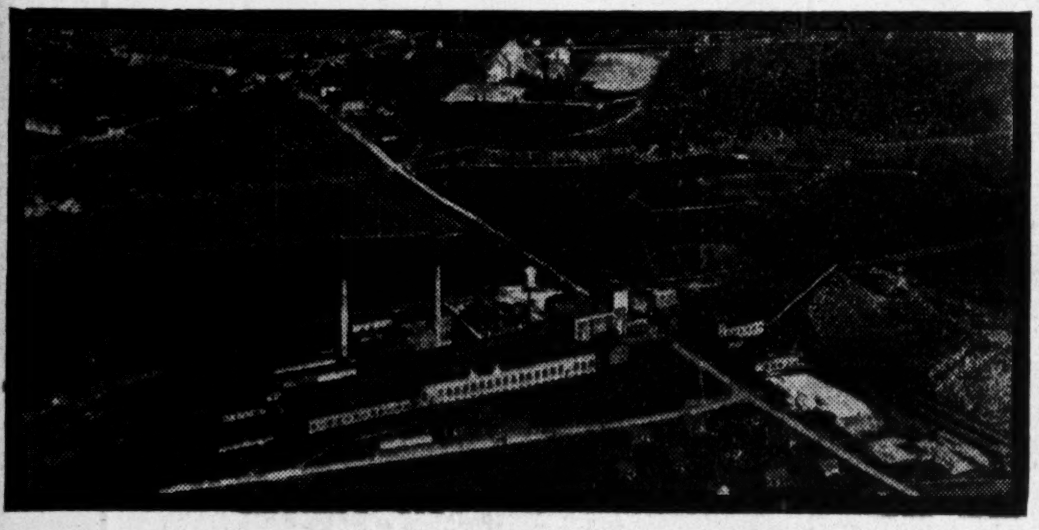
*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
June 9	130.45	143.49	128.59
June 8	129.98	141.95	127.98
June 6	129.42	139.73	128.45
June 5	128.25	138.29	128.37
June 4	128.35	139.97	129.71
June 3	129.11	140.83	130.63
Month ago	128.25	132.62	128.59
Year ago	108.81	108.25	95.75
High, 1936	143.48	143.49	144.33
Low, 1936	123.71	115.97	123.30

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
June 9	69.1	71.5	70.7
June 8	69.1	71.5	70.7
June 6	68.8	70.5	69.9
June 5	68.7	70.3	69.8
June 4	68.8	71.1	70.3
June 3	68.9	71.2	70.4
Month ago	68.3	71.5	70.4
Year ago	58.8	59.0	58.9
High, 1936	73.4	76.4	76.6
Low, 1936	67.2	69.8	68.9



Bathurst Power and Paper Company
LIMITED

■ **Notable improvement has been taking place in the position of Bathurst Power and Paper Company Limited during the last two years. Still further progress is anticipated in 1936 and 1937 on the basis of the plans already devised and being put into effect by the management.**

The operating position of the Company has changed materially in recent years from a producer of newsprint exclusively to a more diversified output including Fourdrinier Kraft board and other products. The ultimate capacity of the Company's Mills as presently planned will be as follows: Fourdrinier Kraft Liner Board and corrugating material 170 tons daily; Folding Pulpboard, Patent Coated Board, Boxboards Cylinder type 100 tons daily; Newsprint 70 tons daily.

PROPERTIES—The Company's properties are advantageously situated at tide-water on the Baie de Chaleur. In addition to mill and machinery which are maintained in first-class condition, the Company's timber holdings in Quebec and New Brunswick are estimated to contain over 10,000,000 cords of pulpwood, which is ample to supply all future requirements. The Company also owns and operates a hydro-electric plant with an installed capacity of 15,000 h.p., with other power sites capable of 35,000 additional horsepower.

EARNINGS—Net profit for year 1935 before depreciation and taxes was $327,977.00 against $123,024.00 for 1934 and $26,797.00 for 1933. Fixed assets at the end of 1935 are carried on the Company's books at $13,692,970.00.

INVESTMENTS—Current assets include Government Bonds and cash to the value of $1,392,887.00. Balance sheet as at December 31st, 1935, showed net working capital of $2,434,374.00, a gain of $283,500.00 over 1934. This is equivalent to $6.00 per share on the Class "A" Shares, while the combined cash and market value of investments represent about $3.50 per share.

DIVIDEND POSITION—Capital Stock consists of 400,000 shares of Class "A" no par value, and 300,000 shares of Class "B" no par value. The Class "A" shares are entitled to $2.00 non-cumulative annually. In any year this amount may be paid, further dividends must be shared equally by "A" and "B" alike until the "A" receive $4.00. Additional payment thereafter will accrue to the "B".

We recommend

BATHURST POWER AND PAPER COMPANY LIMITED
Class "A" Common Shares Price: At the Market

NESBITT, THOMSON
AND COMPANY LIMITED
355 St. James Street West, Montreal

Branches in all the principal cities of Canada

Bond Markets

Bond Prices Advance To New Record Peak

Dominion and New Brunswick Loans Are Successful—Urge Temporary Reduction in Interest For Alberta

Hon. Chas. A. Dunning, minister of finance of the Dominion government, has succeeded in his objective to divorce Dominion and provincial credit, if government bond prices can be taken as a criterion.

Despite the crisis in western provincial finance, prices of Dominion government bonds continue to advance and are currently at a record peak.

The Dominion government loan of $207 millions, of which $187 millions was refunding, was well timed. Usually a flotation of this size depresses bond prices at least temporarily, but in this case prices continued to rise sharply and the new bonds immediately went to a premium over the offering price, the new 3¼ per cent 30-year bonds being quoted at 99.50 bid, 100 asked, compared with the offering price of 99.

The cash portion of the loan, amounting to $20 millions, was immediately oversubscribed and an excellent reception has been given to the conversion offering, approximately $115 millions of bonds out of a possible $187 millions have been converted.

The United States largest peace time loan of $2 billions has also been successful, the $1 billion cash portion being taken up in one day.

The New Brunswick issue of $5.3 millions has been entirely sold.

Calgary will go into technical default June 15, according to news from the western city. On that date an arbitrary reduction in interest to three per cent is to be put into effect.

Alberta Situation

REJECTION of the B.N.A. Act amendments by the Senate has dealt a serious blow to the loan council scheme and it now appears there is no possibility of a conversion of the debt of the western provinces under a Dominion guarantee.

With the loan council scheme abandoned, at least for the near term futuer, the Dominion government is urging bondholders to grant voluntary concessions to Alberta. It is suggested that interest on Alberta bonds be reduced to 3 per cent for a period of 4 years. As yet there is no indication as to whether bondholders would be willing to accept such a reduction especially since it is felt in some quarters that Alberta has made no real attempt to reduce expenditures.

There is also the difficulty of definite assurance being given that interest on the bonds will be restored to the statutory level in 1940 if provincial finances improve. The attitude of the present government seems to be that bondholders are receiving an exorbitant rate and should this condition prevail in 1940 the then government might decide not to restore the bond interest to its former level.

One of the dangerous features of the whole situation is that should Premier Aberhart succeed in getting bondholders to grant a temporary reduction in interest, other governments such as British Columbia and Saskatchewan may seek the same outlet for their financial problems without first attempting more orthodox means.

In the case of Saskatchewan, however, the province has indicated its willingness to recognize its obligations and in view of its request for a loan council, it is possible some solution will be found for its difficulties in co-operation with the federal government.

* * *

Corporation Refunding

WITH the major portion of government financing for the year out of the way, additional corporation refunding issues can be expected.

Among those rumored to be contemplating refunding issues in the near future is Shawinigan Water and Power Co. While this company has already floated one refunding issue during 1936 it is now stated that the 4½ per cent bonds totalling $93 millions may be refinanced. These bonds are currently selling at a premium over their call price of 103.

Responding to the example set by the government bond market, corporation bond prices have improved somewhat. The trend of the market during the past month is shown below:

The Financial Post Index For Industrial Bond Prices

1936	Price $	1935	Price $
June 8	102.31	June 8	98.31
June 1	102.19	June 1	98.37
May 26	102.18	May 25	98.31
May 18	102.13	May 18	97.99
May 11	102.06	May 11	97.99
May 4	102.03	May 4	97.62

* * *

Government Bonds

REFLECTING the sharp increase in Dominion government bond prices, The Financial Post index for high-grade bonds has climbed to a record high of 115.73.

High-grade provincial issues, such as those of Ontario and the Maritime provinces, have moved upward in sympathy with the advance recorded by Dominion issues.

Prices for Alberta issues have reappeared in quotation lists. Losses since May 28 range up to 12 points. The most severe drop has been in prices of high coupon bonds. British Columbia issues have been slightly on the soft side while Saskatchewan and Manitoba bonds have been firm.

The trend of the high-grade government bond market is indicated below:

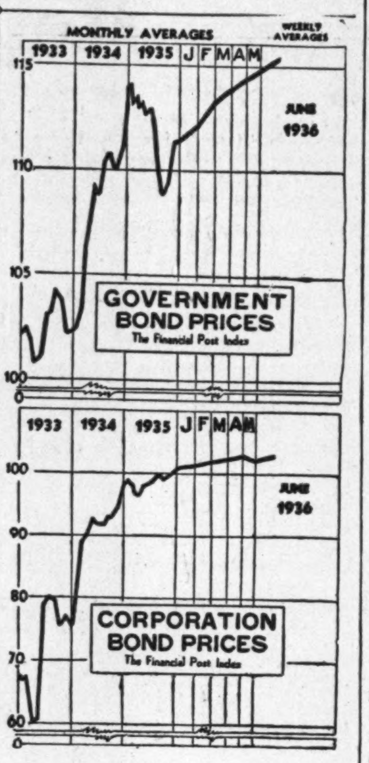
The Financial Post Average Price and Yield for High Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
June 9	115.73	3.184	Year's	115.63	3.193
June 8	115.63	3.193	Range	111.50	3.597
June 6	115.50	3.203	June 10	112.89	3.540
June 5	115.50	3.203	June 8	112.77	3.547
June 4	115.34	3.226	June 7	112.89	3.531
June 3	115.14	3.241	June 6	113.06	3.019
Year's	115.73	3.184	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

French Syndicate Offers Parish of St. James Bonds

From Our Own Correspondent

MONTREAL.—A syndicate composed of Comptoir Nationale de Placement Ltée., Dube Leblond and Co., Rene T. Leclerc Inc. and Société Generale de Finance, is offering $384,000 of 4 per cent first mortgage serial bonds issued by the Parish of St. James the Major in Montreal. The bonds are priced at par to yield 4 per cent.



Nfld. Power Floats Issue

Royal Securities Puts $450,000 Bonds on Market

From Our Own Correspondent

MONTREAL.—Newfoundland Light and Power Co. is making a public offering through Royal Securities Corp. of $450,000 of 5 per cent general mortgage 20-year sinking fund bonds at 99½ and accrued interest.

This financing is carried out by the company in order to raise sufficient capital for the retirement of $447,000 of 7 per cent mortgage debentures called for redemption July 1 next.

Particulars of the issue follow:

$450,000
Newfoundland Light and Power Co.
5% General Mortgage 20-year S.F. Bonds

Dated June 1, 1936; mature June 1, 1956.

Redeemable: At 103 up to May 31, 1940, thereafter at declining premium.

Sinking Fund: Commences June 1, 1937, amounting to 1 per cent of bonds issued.

Capital:	Authorized	Outstand.
1st mtge. bonds	......	$2,163,000
Gen. mtge. bonds	$1,000,000	450,000
Com. shs., $100 par	2,000,000	1,500,000

Company: Owns and operates electric lighting, power and tramways services of St. John's, Newfoundland.

Control: Majority of common shares owned by International Power Co.

Earnings: Net income available for bond interest and depreciation in 1935 amounted to $356,205; depreciation to $80,000; interest charges on first mortgage bonds $104,965, leaving $171,240 available for the general mortgage bond interest amounting to $22,500 annually.

Security: Secured by mortgage on property and franchises, and a floating charge on all other assets, subject, however, to prior mortgage and voting charges securing first mortgage bonds.

Offered: By Royal Securities Corp. at 99½ and accrued interest.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Ontario Steel	6%	1943	July 1	110
Robt. Simpson*	5%	1952	July 1	105
Imperial Realty	6%	1945	July 1	102
Catholic Epis. Corp. Timiskaming†	5½	1932-56	July 2	101
Dom. Canners	6%	1940	Oct. 1	110
Saguenay Pr.	6%	1966	July 1	104½
Can. Canners	6%	1950	July 2	105
St. Law. Flour	6%	1941	July 1	110
Famous Players	6%	1948	July 1	103
Do.,	6½%	1948	July 1	103
Inter. C. Baking‡	5½%	1948	July 1	103½
Do.,	•5½%	1948	July 1	103½
Nfld. L. & Pr.	7%	1949	July 1	105
St. John Dry D.	4%	Serial	July 5	103
Continental Pap.	6½%	1943	Aug. 1	102½

† $65.000. * £12,500.
‡ $36,000 for sinking fund purposes.
• $164,000 called under redemption provisions.

Stock Issues:	Rate	Stock	Date	Price
Brant. Cordage	8%	Pref.	July 15	102

Religious Issues

Sisters of Charity, Qué., 5%, July 1, 100.
Fab. Sainte-Thérèse de Blainville, émission juillet 1925, 5%, July 1, 100.
Pères Eudistes, de la Province de Qué., émission $130,000, 5%, July 1, 101.
Sisters of Charity of Saint-Louis, Bienville, 5½%, July 1, 101.
Fab. Saint-Jean Damascène, Montréal, émission 1930, $85,000, 5½%, July 1, 102.
Diocese of Timiskaming, émission $65,000, 5½%, 1932-56, July 1, 101.
Notre D. Hospital, Montréal, 5½%, Oct. 1, 102.

Bond Tenders

12 noon, June 16, County of Dufferin—$62,000 3½ per cent bonds, maturing 1936-1950. James Henderson, treas. Box 210, Orangeville.

5 p.m., June 17, Grand 'Mere, P.Q.—$69,600, 3½ or 4 per cent bonds, dated May 1, 1936, redeemable serially from May 1, 1937, to May 1, 1966. J. E. Derziel, sec.-treas.

June 16, Longueuil, P.Q.—$47,600, 4 per cent, dated July 1, 1936, redeemable serially from 1950 to 1961. Denis Viger, sec.-treas.

June 22, Laprairie, P.Q.—$36,000, 4 per cent, dated July 2, 1936, redeemable in 15 and 30 years. L. J. Bourdon, sec.-treas.

Abitibi May Open Ste. Anne Plant

From Our Own Correspondent

MONTREAL.—Abitibi Power & Paper Co. may reopen the Ste. Anne Paper Co.'s mill at Beaupre, P.Q. Representatives of the company have been looking over the plant, and a decision will be reached shortly. This mill has a rated capacity of 250 tons daily, but has not been operated for several years.

St. Lawrence To Pay Debts

From Our Own Correspondent

MONTREAL.—In order to improve its cash position and to liquidate two of its major current liabilities, St. Lawrence Paper Mills Co. is asking shareholders to confirm a by-law passed by the directors authorizing the creation of a bond issue of $2.5 millions 5 per cent 20-year first mortgage bonds.

The proposed bonds are to be used as collateral for bank loans as required.

In a letter to the shareholders, John I. Rankin, president, states negotiations have been completed by which liabilities to Shawinigan Water and Power Co. as shown on December 31, 1935, $700,533, and to Brompton Pulp and Paper Co. of $271,542 at the same date, can be settled for a cash payment of $600,000, a saving of $372,075.

The arrangement also includes the revision of the power contract to a more favorable basis with an extension to 1944.

In order to finance a cash payment of $600,000 and to maintain a desirable line of credit, the amount of bonds now proposed to be deposited with the company's bankers will be $1.6 million.

Ellis Park Apartments Plans 4½% on Bonds

Meeting of holders of 7 per cent first mortgage bonds of Ellis Park Apartments, Toronto, is being held June 29 at Toronto to consider a proposal to reduce the interest rate on the bonds to 4½ per cent.

In a letter to bondholders, Stewart Scully Co., Toronto, states the present interest rate is so high and rentals so low that the company sees no possibility of paying full interest. Arrears have accumulated since Aug. 1, 1935.

It is also pointed out that no money has been available for sinking fund and that a start should be made at once to reduce the mortgage for the protection of bondholders' principal.

Income available for bond interest was $16,375 in the year ended Sept. 30, 1935. Interest at 4½ per cent would total $11,582, leaving $4,793 available to retire bonds.

The proposal is to provide that all surplus be used to retire bonds and that no dividends be paid until all bonds are redeemed. Bondholders would be given one share of stock for each $100 of bonds held. This would give bondholders control of the company.

Chartered Trust & Executor Co., Toronto, trustee for the bond issue, is calling the meeting.

Weekly Bank Clearings

	June 4 1936 $	Change yr. ago %	May 28 1936 $
Halifax	2,940,974	—12.4	1,865,044
Saint John	2,143,192	+23.0	1,271,066
Moncton	766,566	+ 3.7	576,948
Sherbrooke	649,193	— 2.1	569,877
Quebec	5,259,055	+ 7.7	3,482,686
Montreal	98,270,912	—18.0	80,295,269
Ottawa	34,018,281	—59.5	13,111,024
Kingston	650,431	+ 5.5	444,916
Peterborough	695,712	+ 6.1	489,295
Toronto	157,254,499	— 9.8	98,657,286
Hamilton	5,488,161	+21.8	3,835,920
Kitchener	1,249,913	+ 8.0	762,031
Brantford	1,014,955	+ 2.7	728,144
London	3,598,404	—18.9	2,226,897
Chatham	528,087	+21.7	378,738
Windsor	3,423,049	+35.5	2,551,610
Sarnia	471,249	—14.0	381,771
Sudbury	1,074,824	+53.4	953,079
Fort William	1,133,121	+81.4	895,237
Winnipeg	68,727,511	+ 0.5	46,721,698
Brandon	417,105	+33.4	229,959
Regina	4,145,251	+31.2	2,698,103
Saskatoon	1,637,463	— 2.9	1,212,030
Moose Jaw	650,921	+ 9.1	416,956
Prince Albert	366,544	— 4.2	280,690
Edmonton	4,414,335	— 3.6	2,832,619
Calgary	6,386,245	+12.7	5,202,819
Medicine Hat	281,511	+ 6.6	180,216
Lethbridge	521,108	+14.6	374,188
N. W'minster	714,455	+30.9	588,198
Vancouver	19,265,310	+13.6	15,301,653
Victoria	1,904,401	+ 5.3	1,315,607

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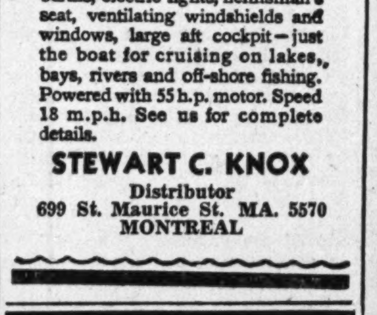

Prospectus and annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Dividend Payments Up For First Six Months

Indications are that dividend payments by Canadian corporations in 1936 will be second only to 1930.

Payments during the first five months of the current year and declarations for June at $120.3 millions are sharply higher than for the corresponding period of 1935 when payments totalled $102.1 millions. On this basis it would appear that disbursements for the year will show a marked increase over 1935 when total payments amounted to $222.1 millions. Disbursements in 1936 will amount to at least $260 millions, The Financial Post estimates. This compares with a record high of $284 millions in 1930.

Declarations to date of dividends payable in June total $61.3 millions, an increase of $5.5 millions over the same month of 1935. Because of half yearly disbursements June payments are always large.

Contributing to the larger total for the month are two initial dividends by junior gold producers, five cents a share by Beattie Gold Mines and three cents a share by McKenzie Red Lake Gold Mines, and a second dividend of 10 cents a share by Little Long Lac Gold Mines.

Reorganization of Catelli Macaroni Products Corp. permitting the payment of $2.50 a share on class A preference shares of the old company and 38 cents a share on the new 5 per cent shares of Catelli Food Products Ltd. has also been a factor in swelling the total. The only increase reported for the month is a declaration of 75 cents by Barcelona Traction as against a payment of 50 cents in June, 1935.

Extras have been declared by Imperial Oil, International Petroleum, Royalite Oil and Electrolux Corp. In the case of the first three of these companies, however, disbursements will be the same as in June, 1935.

Payments on arrears of preference dividends is being made by Dominion Scottish Investments and National Grocers Co.

Bond interest payments for the first six months of 1936 are slightly lower than in the same period of 1935, amounting to $198.6 millions. This compares with $199.1 millions in the first half of last year. June payments total $32.6 millions.

Details of June interest and dividend payments follow:

Summary of June Payments

	1936 $	1935 $
Dividends	61,333,557	55,804,661
Bond interest	32,623,456	32,890,411
Total	93,957,013	88,695,072

Dividend Payments

Andian National	1+1s	1	5,100,000
Anglo-Huronian	.20	12	250,521
Ang.-Can. Tele., A	.12½q	1	15,750
Assoc. Brew., c.	.15q	30	33,690
Bk. Can. Nationale	2q	1	140,000
Bk. of Montreal	2q	1	720,000
Bk. of Toronto	2.50q	1	150,000
Barcelona Tr., ord.	.75	29	1,349,140
Beattie Gold	†.05	1	238,609
Biltmore Hats, pfd.	1.75q	15	3,665
Bright, T. G.	.07½q	15	7,500
Do., pref.	1.50q	15	11,823
Can. Malting	.37½q	15	74,000
Can. & Dom. Sugar	.37½q	1	18,750
Canada Vinegars	.30q	1	27,600
Can. Bk. of Commerce	2q	1	600,000
Can. Celanese	.40	30	100,163
Do., pref.	1.75q	30	157,500
Catelli Food, pf.	†.38	1	15,200
Catelli Mac., A pf.	2.50	10	100,000
Celanese of Amer., part pf.	3.50s	30	518,626
Confed. Life	1q	30	10,000
Cons. Div. Std. Sec., pf.	.25s	15	12,729
Corr. P. Box, pf.	1.75	1	13,710
Crow's Nest Coal	‡3	1	186,378
Dom. F'dries & S., pf.	1.50q	1	10,798
Dom. Scott Inv., pf.	.75	1	44,775
Do., arrears	.25	1	14,925
Electrolux	.40q	15	495,000
Do., extra	.10	15	123,750
Falconbridge, N.	.07½	25	250,275
Ham. Un. Theat., p.	1q	30	7,879
Hollinger Gold	.05m	16	246,123
Hudson Bay, M.	.50	29	1,326,963
Imperial Oil	.25s	1	6,741,269
Do., extra	.37½	1	10,111,904
Imperial Tobacco, ord.	.08½q	30	826,965
Inter. Mining	.15q	20	60,000
Inter. Nickel	.30q	30	4,375,207
Inter. Petroleum	.75s	1	10,743,066
Do., extra	.50	1	7,162,044
Do., pref.	.75s	1	150,000
Lake of Woods Mill, p.	1.75	1	26,250
Lake Shore Mines	1q	15	2,000,000
Laura Secord	.75q	1	43,125
Little L. Lac	†.10	25	183,330
Loblaw Groc., A	.25q	1	111,832
Do., B	.25q	1	95,750
Louisiana Land	.10	15	300,000
McColl-Fron., c.	.20q	15	132,000
McIntyre Porc.	.50q	1	399,000
McKinley Mines	.02½	1	28,096
McKenzie R. L.	†.03	15	87,000
Montreal Cotton, pf.	1.75q	15	52,500
Montreal Loan	.50q	15	12,000
Nat. Grocers, pf.	▲3.50	1	103,362
New M. Laund., p.	1.62½q	1	4,062
Noranda Mines	‡1.25	30	2,799,715
N. S. Light & Pr., pf.	1.50q	1	25,500
Ogilvie Flour, pf.	1.75q	1	35,000
Ont. Silknit, pf.	1.75q	15	17,500
Pickle Crow M.	.05	30	150,000
Provincial Bank	1.50q	1	60,000
Reliance Grain, p.	1.62½q	15	32,500
Rolland Pap., pf.	1.50	1	22,500
Royal Bank	2q	1	700,000
Royalite Oil	.50	1	348,773
Do., extra	.25	1	174,386
Siscoe Gold	.05q	15	230,503
Sunshine Mines	.50	30	74,441
Union Gas	‡.10	15	70,618
Unit. Amuse., A & B	.30	15	22,310
Walker-G. & W.	.50q	15	330,000
Do., pref.	.25q	15	115,207
Total			61,333,557

† Initial. ‡ Interim. ▲ On arrears.
q Quarterly.
m Monthly.
s Semi-annually.

BOND INTEREST DUE IN JUNE

Alta. Pac. Grain	6	1	1946	80,340
Barcelona Tr 1st mtge.	5½	1	1974	224,477
Do., prior lien	6½		1965	474,500
Do.,	6	1	1972	361,266
Bawlf Terml., B	6	1	1942	6,150
Bell Tele., B	5	1	1957	750,000
B. C. Tele., A	5	1	1960	250,000
Brant. Roofing†	6½	29	1950	18,037
Canada Paper, A	6	4	1945	36,315
C.N.R. (Govt. gte.)	4½	15	1955	1,187,500
Can. Nor. Rly. 1st mtge.	4	1	1939	160,600
Do., Alta., gtd.	4	1	1939	111,732
Can. N. West. Rly.	4½	1	1942	144,540
C.P.R. Trust (gold)	5	1	1954	750,000
C.P.R. Note Cert.	4½	15	1944	468,870
Cons. Press	6½	1	1949	15,841
Cawthra Apts. 1st mtge.	6	1	1947	6,375
400 Avenue Rd.	7	1	1946	9,303
For. Pr. Secs., A	6	1	1949	71,895
Gatineau Power	5	1	1956	1,728,437
Do., S.F. debs.	6	15	1941	287,910
Godfrey Realty	*6	1	1942	105,067
H. Smith Paper A.	5½	1	1953	180,372
Ind. Accept. A.	6	1	1940	22,500
Inv. Bond & Sh. A.	5	1	1947	49,437
Lon. Can. Inv. A.	4½	1	1948	85,297
Maple L. Mill.	5½	1	1949	127,063
McNish deb. stk.	6	1	1948	121,143
Mex. L. & P. 2nd mtge.	5	1	1968	318,217
Northwest Utilities	7	1	1949	78,088
Montreal Apts.	7	1	1938	21,542
Mt. Royal Hotel	5½	1	1947	97,900
N. Que. Pr. A	6	1	1945	79,500
N. S. Light & Pr.	5	1	1958	105,686
Power Corp. A	5	1	1957	49,232
Quebec Power	5	1	1968	293,390
Richmond Bay	6½		1947	26,318
Ritz Carlton Hotel	5	1	1942	16,187
Riverside Iron	7	1	1947	6,300
Rolland Paper A	5½	1	1948	59,977
Standard Clay	6	2	1942	13,737
Twin City R. 1st	5½	1	1952	484,302
Windsor Arms	6½	1	1947	11,375
Corporation bonds				9,496,720
Municipal bonds				6,680,000
Provincial bonds				5,946,226
Dominion loans				10,500,510
Total				32,623,456

*Installment coupon No. F; a payment of 1½ per cent plus interest at the rate of 6 per cent on the deferred interest.
†Interest due May 1, 1936.

Municipal Finances

London, Ont., municipal circles fear that the 1936 tax rate was struck too low and that the problem of making up deficits of a few hundred thousands of dollars will have to be faced in 1937. It now appears that the council made inadequate provision for expenditures. In addition to the relief situation one of the major factors will be the London and Port Stanley Railway. In the 1936 budget an amount of $220,000 was included for the railway to cover the anticipated deficit on the current year's operations. No provision was made for past deficits. It is now stated that an extra $100,000 will be needed to place the railway in the running condition in which it should be.

* * *

Montreal, Que., has submitted the disagreement between its auditor and finance director to the Quebec Municipal Commission as arbitrator. As a result of the dispute the auditor refused to sign the 1934-35 statement and it is hoped that the Quebec Municipal Commission investigation will result in early issuance of the report. Both the auditor and the finance director have been ordered to appear before the commission.

* * *

Montreal Metropolitan Commission reports that during April a total of $272,000 in tax arrears was collected by the 14 municipalities under its control. Of this amount, $275,000 was collected by the 11 solvent municipalities and $15,000 by the 3 bankrupt municipalities of Pointe aux Trembles, Ville St. Michel and Montreal North.

* * *

Sarnia, Ont., reports that collections of tax arrears in May were considerably less than in the corresponding month of 1935, amounting to $13,519 as against $19,603 in 1935. Unless improvement is shown in this situation in June an extensive campaign for the collection of arrears will be undertaken by the city. Collections of current taxes, however, have shown improvement. For the first 5 months of the year receipts of 1936 taxes totalled $98,213 compared with $97,004 collected in the first 5 months of 1935.

* * *

Saint John, N. B., will continue to get assistance from the New Brunswick government in the administration of relief to the end of June at least. It had previously been announced that provincial assistance would come to an end on May 30.

* * *

Stratford, Ont., will apply to the Ontario Municipal Board for permission to issue $64,000 in debentures in order to fund accumulated deficits. Proceeds of the loan will be used to reduce bank loans. In each of the past 5 years the city has had a deficit, the accumulated total at the end of 1935 being $63,319.

* * *

Windsor, Ont., city council and the Windsor Finance Commission meeting separately have both authorized issuance of a writ against the Imperial Bank of Canada to regain possession of $298,392, the bank balance of the former town of Sandwich, which was seized by the bank on January 4 of this year to apply aganst the former town's debts to the bank which total approximately $400,000.

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TORONTO, JUNE 13, 1936

Make the Senate Work

WHEN he was government leader in the Senate, Rt. Hon. Arthur Meighen did not hesitate to criticize the House of Commons, then under the leadership of the cabinet of which he was a member, for delaying important legislation. Again this year Mr. Meighen, who is now leader of the opposition in the Senate, has protested against the scantiness of the courtesy shown to the Senate in sending on bills for its consideration. He said:

> "We give assiduous, careful and worth-while attention to all measures which come before us, and we are anxious to avoid the condition of haste and carelessness that too often is forced upon us as the session approaches its close."

Mr. Meighen's protest is a timely one. His own effort in preventing the passage of the unfortunate proposal to extend the taxation powers of the provinces shows how useful the Senate can be giving adequate consideration to legislation that has passed the Commons too quickly. It is most unfair to the Senate and to the country at large when bills that take weeks to go through the House of Commons are rushed to the Senate at the last minute with the implied demand that they be passed at once so that the members of the Commons can get home for the summer.

The Senate numbers many wise and experienced men. Their careful review of legislation is a shield of protection to the nation. The Senate should be used to the fullest possible advantage.

Lower Taxes: Better Business

AUSTRALIA is closer to a tax revolt than Canada. According to the Australian news letter of the Empire Press Union, the Federal Government expects that at the end of the financial year on June 30 it will have a surplus of five millions. Although affairs are growing into prosperity there is wide discontent. The government is asked to make substantial reductions in the emergency taxes which were levied to balance the budget during the depression. If it fails to do so there might be political changes at the polls toward the end of 1937.

In New South Wales, the state accounts for the three quarters of the financial year (dating from July 1, 1935) show an increase for that period of £2,529,486 in revenue over the amount for the corresponding period of the previous year. This comparison shows the general course in a satisfactory light. The additional receipts were not obtained by higher taxes, but rather the reverse, as reductions in taxation and governmental charges of various kinds are the policy of the present government.

Possibly there is some cause-and-effect relationship between New South Wales's buoyant finances and Sydney's activity. One of the most notable of the outward and visible signs of the better conditions in New South Wales is that Sydney is being practically rebuilt. Streets are being widened and large steel and concrete structures are replacing buildings of an old type. The best part of £1,000,000 is represented today in recent and existing building and alterations in the city and its environs, apart from the building of suburban shops and residences.

Another Wishful Wheat Plan

AN AUSTRALIAN Royal Commission, which has dealt with various phases of the wheat and flour industry in that Dominion, is credited with the following recommendation:

> "The Federal and State Governments should give fullest consideration to the world wheat situation with a view to co-operating with major wheat-growing countries in international agreements to avoid re-accumulation of world stocks of wheat. And, further, that should the world wheat situation justify a restriction of production, the government and the industry take all steps to ensure cooperation with other participating countries."

These words are quoted with approval by the Western Producer of Saskatoon, which says:

> "Canadian wheat producers will welcome as an encouraging sign the fact that so responsible and authoritative a body has been led by their investigations to endorse the principle of international co-operation."

But one might as well expect to sell Manchuria or Abyssinia a membership in a League of Nations as to sell Canada another membership in an international wheat agreement.

Australia's wheat acreage has declined from a peak of some 18 million acres to about 12 million acres. There is not likely to be any repetition of the former expansion, conducted very largely under the influence of government subsidy. Economic forces have already produced a reduction of wheat acreage there far greater than Australia could ever be brought to agree on in any international conference.

As for inventing any international formula that will bind the United States, Argentina, Russia, the Balkan States, or any other wheat producing country to any action that they will not take of themselves, well, at least that has not yet been proved possible.

The London Wheat Agreement might have been criticized as faulty in conception, and even if it had worked it might have done more harm than good to Canada and to other participating countries. But that question need not be argued, for experience has proved that it would not work. Canada perhaps did not lose very much out of its failure, except two years time in which a satisfactory approach to this country's wheat problem might have been developed.

Back of the Dope Rings

THE New York Times pays a tribute to the opium boards of the League of Nations for their tenacious efforts to uproot the illicit international narcotics traffic. At a recent meeting of the League's opium advisory commission, Japan's narcotic policy was strongly attacked by the American, Canadian and British members. Japan is definitely not co-operating with other nations in putting down international dope traffic. Not only is it conniving at the drug traffic on a wholesale scale among the Chinese, but it is not aiding the other nations in preventing imports of narcotics.

Another problem which does not seem to have been touched upon publicly by the opium commission is the extensive financial and political connections that the traffic has even in civilized countries.

If the inner story of the international dope ring were told it would be revealed that some figures of world importance are not unconnected with it.

Inflammatory Economics

IN THE current issue of The Canadian Journal of Economic and Political Science, Professor D. C. MacGregor of the University of Toronto contributes an article on "the problem of public debt in Canada," apparently with the intention of outlining the problem and possible solutions.

Unfortunately, Prof. MacGregor not only fails to accomplish this end but has produced a case for taking it out of the hides of the investors as though they were the bad boys of the debt problem.

The argument clearly is constructed not upon the cold reasoning of the economist but with the passion of the special pleader. Professor MacGregor's method has apparently been to cast about for a scapegoat and he hits upon the bondholder as his victim.

In times of economic stress it is inevitable that outbreaks of this kind should occur. Ordinarily they come from the uninformed. It becomes a serious matter, however, when incorrect statements of fact and misguided interpretations are voiced in the official journal of the Canadian Political Science Association by an academician whom our largest university presents as its expert in public finance. It amounts to an evasion of the responsibility of the economist to clarify the serious problems of the national finances and to suggest remedies based on cool and detached reasoning. Perhaps, worst of all, it indicates that university students who should eventually bear the responsibility for dealing with national problems will find it necessary to unlearn a good deal of what they may have absorbed from the rhetoric of radicals.

A Policy on Debts

AMONG the planks that should appear in the programmes of all public bodies in Canada in the next five years should be a determination to stop piling up public debts in our present improvident manner. The elements in such a determination might reasonably be these:

> First, to peg public debts at present levels.
>
> Second, to cut out of spending programmes, for a definite period of years, all developments which do not give assurance of being completely self-supporting.
>
> Third, to budget, not only for balanced revenues and expenses, but for a debt retiring surplus, sufficient, let us say, to retire present public debts over, approximately, the next generation.

In the attainment of these three objectives, the Loan Council plan of refinancing and control, so summarily dismissed by Alberta, could be a gallant and effective ally.

> Fourth, to increase the productive income of Canada, out of which debt charges must be paid, through immigration, and through policies designed to speed up the development of our natural resources by providing markets for the finished products made from them.

Editorial Notes

Premier Aberhart is quoted as regretting the action of the London Stock Exchange in removing three Alberta sterling issues from trading. He said, "I am sorry London is taking such action as this when we are trying to maintain the standard of our bonds. In view of the British government having reduced interest on many securities, you would think the British people would take a more sympathetic attitude toward Alberta's efforts." The implication that the British government ever compulsorily reduced interest on its securities is a canard that dies slowly. The British government in its 1932 conversion called in its war loans in accordance with strict terms of the contract with the holders and gave those holders the option of either accepting cash or taking new bonds. Mr. Aberhart is changing the terms of the contract with the bondholders, which is a vastly different thing and he is giving no one the option of taking cash.

* * *

The Financial Post paid 12 cents duty on material forwarded to us from Landon's political headquarters. Up to the present, New Deal literature from Washington has come in free. This looks like rank favoritism in the customs branch.

* * *

An American business executive who studied 700 pieces of restrictive legislation introduced in various legislatures decided that the underlying motives were found to spring from four groupings of thought: The belief that economic ills could be solved by regulating industry, public officials looking for a new means of revenue, reformers who want to regulate other people's lives and pressure groups inspired by selfish motives. There is not much more to add.

* * *

J. W. Glenwright, president of the Edmonton Chamber of Commerce and managing director of the Commercial Life Assurance Co., Edmonton, clarifies the real meaning of Alberta's interest reduction in these words:

> "Taxes should be levied in the most strictly equitable manner. Each citizen should pay his share of taxes according to his means. I presume that is the basis upon which the income taxes are levied. A compulsory slash in the interest rate paid on Alberta bonds is an additional tax on the thrifty and industrious people who have endeavored by means of this investment to provide for themselves and those dependent upon them in order that they will not be a charge on the country or on anyone else.
>
> "The people who will be affected by this slash in interest already are paying more than their just share of taxes."

* * *

Guelph's Arthur Cutten, one of the largest grain operators on record, has finally given up business due to ill-health. In recent years he has been pursued bitterly by the United States government which has attempted to bar him from trading in the market, charged him with income tax evasion and steadily persecuted him as a public enemy. The United States Supreme Court gave him a clean bill of health when it threw out the government's order barring him from trading on the country's grain exchanges. The income tax evasion charge is likely to go the way of most such charges that have been pressed by the United States government. They represent simply a scheme to win public attention for Washington officialdom by persecuting every successful business man.

Arthur Cutten's "crime" against society was speculation. If society is to consider speculation in commodities a crime, it ought to put in jail most of the politicians here and in the United States, for the largest grain speculations in history have been carried on by the United States government and the Canadian government in these depression years.

Sayings of the Week

"I had parents who saw that prohibition meant prohibition."—*Rt. Hon. R. B. Bennett.*

* * *

"England's policy is good enough to be Canada's policy."—*Sir Robert Falconer.*

* * *

"I still hope to see India free from the domination of the foreigner."—*Mahatma Gandhi.*

* * *

"If we do not try to civilize the Eskimos they will never be on relief."—*Rt. Hon. R. B. Bennett.*

* * *

"The idea of keeping youngsters in school and retiring workers on pension at 65 is good."—*Herbert Hoover.*

* * *

"The press rules the world, because thought governs the world and the press is the transmitter of thought."—*Pope Pius.*

* * *

"Great Britain's navy is still invincible, ready and willing to tackle any force which dares to challenge it."—*Sir Roger Keyes.*

* * *

"The last depression was a depression of plenty. The only thing of which there was a shortage was restraint."—*Jesse H. Jones.*

* * *

"There never was a time when our Nova Scotia friends did not know the very best way to turn a bargain in their favor."—*Senator A. C. Hardy.*

* * *

"The newspaper is the only critical agency of any genuine competence that is left in the American scheme of things." — *Henry L. Mencken.*

* * *

"I am convinced that wise-cracking, if only in the recesses of your own mind, will interfere quite definitely with your reasoning powers."—*Sir Edward Beatty.*

* * *

"Such developments as Mussolini and Hitler are merely temporary aberrations in the general march toward enlightenment." — *Professor Edwin R. A. Seligman.*

* * *

"I say to the railwaymen who sit in the seats of the mighty, 'You had better figure out what is the matter with the farmer on the prairies'."—*Senator Henry A. Mullins.*

* * *

"Unless the government assists Manitoba that province will have to default; and if no money is lent to Winnipeg, that city too will have to default."—*Senator John T. Haig.*

* * *

"The press of the United States is being corrupted with propaganda. We have a splendid press in Canada. Parliament should come to the support of the free press of this country."—*T. L. Church, M.P.*

* * *

"The people of the west ask that the whole burden of relief be taken over by the government. If that is not done there will be default on the bonds of other provinces besides Alberta." —*Senator John T. Haig.*

* * *

"Capital cannot be expected to seek investment in a land where it is officially castigated and where it is confronted with tax-supported competition." — *Judge George W. Maxey, Supreme Court of Pennsylvania.*

* * *

"It would be a sorry day for this country if a distorted sense of importance had led the various governments in Canada to believe they are the masters instead of the servants of the people who placed them in office."—*Senator J. H. Rainville.*

* * *

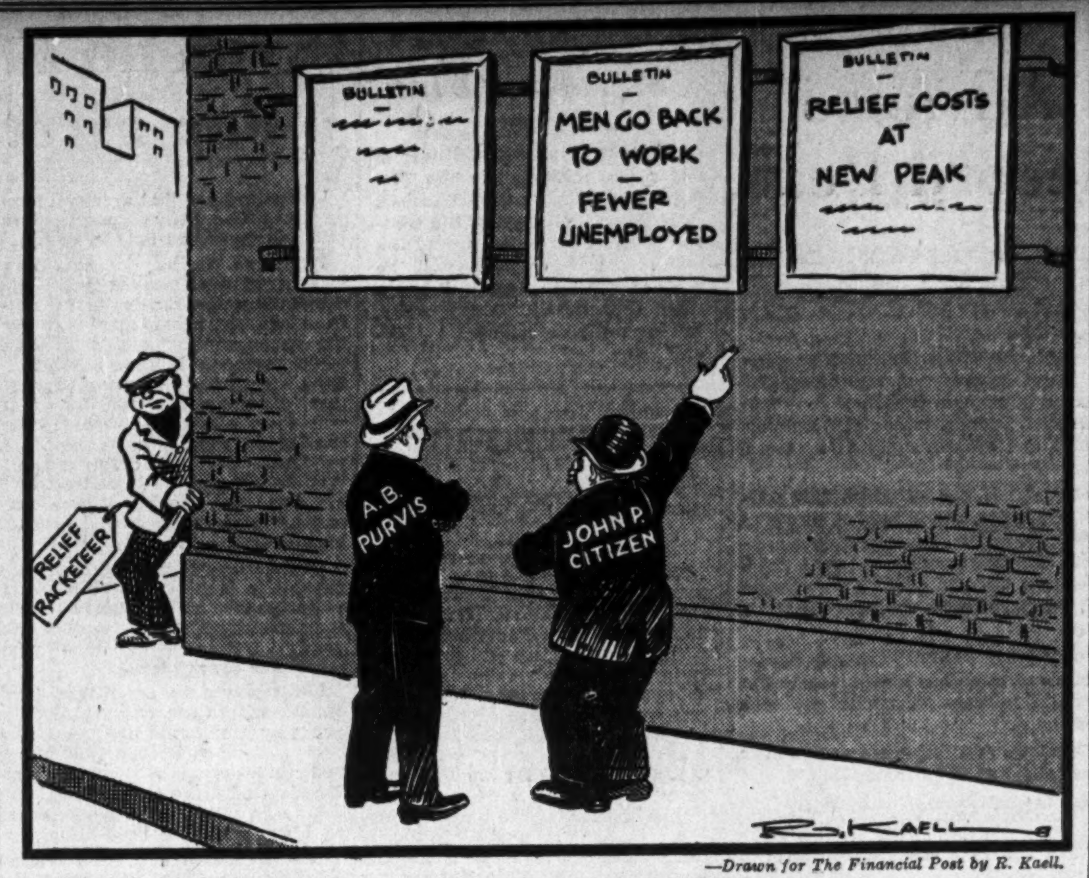
"The Tribune requests persons who intend to mix liquor with automobiles in Memorial Day celebrations kindly leave typed obituaries, and photographs with the city editor before beginning the day's observance."—*The Tulsa (Okla.) Tribune.*

* * *

"It would be a good thing if a person convicted of foul murder might have his life used for experimental purposes so that young doctors could conduct their experiments for the betterment of humanity." — *Daniel McIvor, M.P. for Fort William.*

* * *

"Are the great provinces of Ontario and Quebec going to stand by and see their goods mulcted every time they pass the frontier of New Brunswick, without adopting similar measures on their own behalf?" — *Senator C. P. Beaubien.*



—*Drawn for The Financial Post by R. Kaell.*

THE FIRST JOB TO BE TACKLED

Aid for the Provinces

These are the conclusions of an authority on the problem of the adjustment of federal-provincial financial relations as outlined at the recent annual meeting of the Canadian Political Science Association. Professor Maxwell lectures at Clark University, Worcester, Mass., but is a Maritimer by birth and one of the closest students of Canadian public finance.

By J. A. MAXWELL

There can be no reasonable doubt that some adjustment of Dominion-Provincial financial relations is advisable. At present the provinces have control of and are responsible for functions which, in many cases, they cannot handle satisfactorily because their revenues are not capable of much expansion.

Some of the functions which have in recent years weighed most heavily upon the provincial budgets, and which promise to weigh still more heavily in the future, are of national significance. Part of their burden might, therefore, be borne by the Dominion treasury. But if the Dominion is to assume partial responsibility for certain functions, it ought also to secure partial control. This control cannot be achieved if the provinces are assisted by unconditional subsidies, because such grants are given without strings to be spent by the provinces as they see fit.

On the other hand, the Dominion ought not to assume complete control of any functions unless it can administer them more efficiently than the provinces. In many cases this is not to be anticipated. What seems to be needed is local and provincial administration, combined with Dominion supervision in the national interest.

There is a plan which, while avoiding weaknesses, might yet achieve most of the aims of all the schemes. This is that the federal government improve and extend its system of conditional subsidies—grants-in-aid. In the past, grants-in-aid have been used in Canada with mixed results. Sometimes the net accomplishment has been satisfactory—the grants for highway construction, for employment offices, for combatting venereal disease were of this sort; but sometimes the net accomplishment has been unimpressive—as with the grants for agricultural and for technical education. But the defects of certain grants can be attributed either to unwisdom in selecting the activities which were to receive federal aid, or to a weak and ineffective federal supervision.

If the federal government is to assist or encourage the provincial governments by grants-in-aid, it should select the activity with care and prepare an adequate system of administration. Through prudent attention to such matters, there is every reason to believe that, for the future, excellent results could be achieved.

Gain Dual Benefits

The advantages of this scheme are not obscure. By it, local administration can be secured, together with the benefits which flow from national oversight and co-ordination. It will provide a substitute for flexibility in the constitution by allowing a federal government, without overstepping its constitutional powers, to assist the provincial governments in the performance of functions. It will allow experimentation in the performance of government functions without running the risk either of bureaucracy or of provincialism. By it the financial burdens of the provincial governments can be lightened more quickly and probably as effectively as by complete federal assumption of a task.

Least Dangerous

There are, of course, dangers in the plan. The government which controls the purse-strings can use its power to get control of the activity, and the federal government may enter upon schemes which are unwise because they ignore the federal character of Canada. But some extension of federal power is desirable and inevitable and the dangers of excess appear to be less if use is made of grants-in-aid than by any other plan.

Free Traders on Budget

The Liberal, free trade Manchester Guardian liked the tariff changes in the Dunning budget. It commented:

"When Canada concluded her trade agreement with the United States it was declared by Mr. Roosevelt and Mr. Mackenzie King to be a deliberate step toward the reversal of a policy of economic nationalism. Now the Canadian Liberal Government has followed the agreement by a low tariff Budget that goes a step farther. In the case of cotton and rayon goods the reductions are handsome. While they still leave the Canadian manufacturer with a substantial degree of protection, the duties cease to be prohibitive, and there is now a reasonable opportunity of competition between the domestic and British producer. This, it may be frankly said, is one of the few good results of the Ottawa Agreement. The Budget reductions follow the recommendations of the Tariff Board, which were made after the Lancashire delegation had presented its case. It says a good deal for the skill and moderation with which that case was put that on almost all points its arguments were accepted. There is no need to suppose that the Tariff Board was influenced by any desire to please British opinion; its judgments were based on a comparison of costs and prices. Nor is there reason to fear that its decision will be unpopular. The Canadian public has been showing great restiveness against the high prices charged by the protected manufacturers, their high profits and poor conditions of labor. The consumer's voice has been heard. And the Canadian government is courageous enough to see that the attempt at industrial self-sufficiency does not pay a nation that depends so vitally on exporting."

The financial editor of the Guardian added this comment:

"The changes in the Canadian import duties on British cotton and rayon goods should be of considerable assistance to the Lancashire industry. Lancashire manufacturers and exporters seem likely to gain more ground in the Canadian market in rayon than in cotton piece goods, though other considerations may tend to equalize the advantages enjoyed by the two classes of goods."

British View of Alberta

Alberta, with all her financial fantasies, typifies in an extreme form the difficulties of provincial governments in a Dominion still suffering the aftermath of severe depression. There is urgent need for closer co-ordination of Dominion and provincial finances, for, by general admission, the burdens left behind by the depression are unequally distributed. It will be widely regretted, however, in quarters not confined to Canada, that Alberta, in pursuit of a chimera, has deliberately rejected the Federal Government's proposals for assistance. Her action, which threatens to be imitated, in whole or in part, outside her own borders, has clearly complicated the Dominion Government's task of finding a practicable solution for an intolerable situation. And Mr. Dunning's Budget speech has shown plainly that the Dominion authorities, with other problems, like the railway debt burden, pressing upon them, have quite enough on their hands.

Such is the view of the London Economist, which expresses the viewpoint of the more liberal elements in British finance and investments.

The Economist declares that Canadian conditions today present a curious anomaly. In recent months internal industrial activity has expanded, mining output has achieved a new high record and surplus wheat stocks have been greatly reduced. The value of Canada's external trade for the fiscal year 1935-36 was 12 per cent greater than in the previous year, and the country has an active balance of payments. Yet Mr. Dunning, the Finance Minister, when opening the federal budget on May 1, had no pleasant task. It fell to him to announce that while ordinary revenue for 1935-36 was $372 millions, expenditure had been swollen by special items, including unemployment relief, to a grand total of $534 millions. Despite certain proposed increases in taxation, the utmost the government could hope to achieve was to keep the deficit for 1936-37 below $100 millions.

As Others See Us

"Hall of Fame"
Lethbridge Herald

Lethbridge has made the "Hall of Fame." In the "Municipal Honor Roll" column of The Financial Post of Toronto appears a highly complimentary tribute to the City of Lethbridge.

$600,000,000 in Six Years
Ottawa Journal

Staggering are figures of relief costs compiled by the Toronto Financial Post. Staggering even in these days when big figures have become commonplace. The Post shows that in six years, ended March 31, 1936, we have paid out on unemployment relief account $609,158,000. More than $100,000,000 a year. This includes direct relief, public works expenditures, losses on wheat operations.

Six hundred million dollars! In 1913 we thought a proposal to spend $35,000,000 for two dreadnoughts sheer madness. We thought it so mad, so beyond our capacity, Parliament sat two weeks day and night in a bitter battle over it. The total of our national debt then was but $350,000,000.

The worst of it is that last year relief expenditure was the highest ever. It reached $172,000,000. The Dominion Government spent more than $100,000,000, an increase of $40,000,000 from the previous year. This despite that, by all standards of measurement, things were better, with trade improved, production greater, employment better.

Canada can't go on with expenditure on that scale. A nation can't go on perpetually spending more than its income. It may do so for a time, may borrow for a time, go in debt for a time; but the day comes when debts can't be paid or more money borrowed. It is what the world calls bankruptcy.

In some way, somehow, relief expenditures must be cut. Cutting them may bring temporary hardship to some, but the answer is that temporary hardship for some now is preferable to loss and hardship for everybody later on.

But It Cuts Expenses
Souris Plaindealer

The Financial Post (Toronto) draws attention to the fact that the sale of the last of the Merchant Marine does not in any way relieve the country of the $150,000,000 debt that the boats created. Exactly. Similarly, neither would the sale of the Canadian National to the Canadian Pacific relieve the taxpayer of the Canadian National debt.

A Tip For Canadian Merchants
Quebec Chronicle-Telegraph

As a general rule Canadians are envious of their American neighbors in the general cheapness of commodities that prevails among them and that affords a serious temptation to Canadians visiting American centres to indulge in amateur smuggling on their return.

Today, however, The Financial Post reports that "scores of articles which formerly were cheaper in the United States than in Canada are now as expensive or dearer there. Foodstuffs particularly fall in this category, 'in addition to books, woollens, men's hats, and many other items.'"

Moreover, the timely suggestion is made that "there is a wide-open opportunity for enterprising Canadian retailers—who apparently do not realize the extent to which prices have risen in the United States—to capitalize the situation by impressing on U. S. tourists the cheaper Canadian prices."

Here is a tip that our own local merchants may be glad of and that they can turn to advantage with a little effort during the present summer months.

Other People's Views . . . .

They All Get Hit
Montreal Star

Uncontrolled inflation hits the worker, whether wage-earner or salaried man, just as it hits every pensioner or person living on his savings, because it drives down the buying-power of his income while prices soar. That goes for Canada, too, of course, and Canadian labor

Britain and Italy
Whaley-Eaton Foreign Letter, Washington

A new and permanent base for Anglo-Italian relations must be found or war in Europe is certain, perhaps near. Selassie's visit to London, even in a semi-private capacity, must rub Italy the wrong way. An Arabian revolt against Jewish emigration to Palestine, if not a revolt against the Versailles division of Arabia, was inevitable in any event, but Italy's action in upsetting the balance of power in the Mediterranean, and her wireless propaganda, has provided the troubled waters in which Arabia and Egypt can fish. To reiterate, a realistic adjustment of the entire Mediterranean question is the sine qua non for peace.

In the Mail

(Not over 200 words, please)

McLeod-Cockshutt Options

Editor, The Financial Post,—

Referring to your reporter's recent interview with Mr. Errington concerning the little deal in McLeod-Cockshutt and his reply "Even if I did, it isn't anybody's business but my own." As a shareholder of McLeod I want to tell Mr. Errington and the board of directors that this is also my business. Before an extraordinary deal of this kind was consummated the shareholders should have been consulted and given an opportunity to take the option on the 350,000 shares at 47½c.

I think Mr. Errington is too big a man not to see that good luck, a depleted treasury and a directorate floundering and ready to grasp at straws regardless of values or results led to this coup-de-main that, to say the least, flavors of injustice to the "under dog."

J. J. C.

Antigonish, N.S.

Lower Taxes; Larger Revenues

Editor, The Financial Post:

It is surprising that in all that has been said and written about the load of taxation under which we stagger no reference has been made to an outstanding example of increasing revenue by reducing taxation. Here is an abbreviation of the facts taken from an issue of the monthly letter of the National City Bank of New York:

On March 1, 1933 the German government removed the tax on new motor vehicles, which amounted to 6 to 7 per cent of the consumer price. The resultant stimulus to demand enabled the German subsidiary of the General Motors Corp. to give jobs to 5,000 people who had not been employed for some years, and in the automotive and allied trades as a whole 40,000 unemployed were put back at work. The net result for 1933 is given as follows:

Loss to government by removal of tax	Rm. 50,000,000
Reduction of relief costs	40,000,000
Increase in other taxes by increased employment	21,000,000
Approx. gain to government	11,000,000

It was estimated that in 1934 there would be a net gain to the government of Rm. 100,000,000 by the further absorption of 80,000 unemployed into the industry.

The facts were stated in an annual report of the General Motors Corporation "to illustrate what can be done in the way of reducing unemployment and improving the national economy by stimulating industrial activity through private initiative, as compared with throttling its progress through the ever-increasing burden of taxation?"

To introduce such a policy requires statesmanship endowed with intestinal fortitude and cannot be expected of a cabinet of politicians.

G. C. T. PEMBERTON.

Toronto.

St. Lawrence Water Levels

Editor, The Financial Post:

Ontario Hydro-Electric Commission announces through the daily papers a plan to increase the flow from Lake Nipigon into the Great Lakes above Lake Michigan by 4,000 cubic feet per second in order to raise the level of the waterway to Montreal, which has in recent years suffered from low water levels to the detriment of shipping.

In connection with Chicago's sewage system, which is flushed by diverting water from Lake Michigan, reports show that the Federal Government permitted Chicago to withdraw 4,169 cubic feet per second, which was regarded as the maximum flow possible without affecting navigation on the lakes.

1912. An increase to 10,000 cubic feet per second was sought. Permission was denied as detrimental to navigation.

June, 1920. Court again refused permission to divert the 10,000 cubic feet sought.

Dec., 1920. It was established that the Chicago Sanitary System diversion had lowered the Great Lakes and St. Lawrence River by an appreciable amount with injury to navigation at Montreal and Hydro development at Niagara.

1922. Chicago granted permission to divert 10,000 cubic feet per second to the Sanitary System of Chicago and asked to pay to the Treasury of the United States full compensation for lowering of water levels of the Great Lake System resulting from diversion by Chicago.

If the Nipigon chain was below Lake Michigan it would benefit the lower section of the Lake and the St. Lawrence. But would not the present project be rather costly to the Canadian or Ontario Government in view of the fact that more than double the amount of water to be released goes to flush Chicago's sewers?

Would not the proposed Lake Champlain land scheme, if it cuts west of Montreal, also have the same tendency—of lowering the water level at Montreal which, being Canada's most important port, should be safeguarded.

Would the proposed canal be a toll canal or free as existing canals are?

Railways, including the C.N.R., have to build and maintain their road beds. Why should tax payers have to provide road beds for steamship companies? In what way would the proposed canal benefit Canada?

Is not a depression period, with rapidly mounting public debts, a poor time to add white elephants unnecessarily?

BERTHA RUDDOCK.

New York City.

Stop Me If You've Heard This One . .

"Mary, has anybody telephoned while I've been out?"

"Yes, sir," replied the maid, "but I could not make out the name. To be on the safe side, I said you would let him have something on account tomorrow."

Week in Business

Six Months Car Sales To Reach $60 Millions

But Big Gain Not Evenly Distributed Among Chief Makes — Eastern Canada Lumber Prospects — N. Y. Wage Decision

Early returns of new car registrations in May indicate that sales of passenger cars in Canada during the first six months of 1936 will cross the $60 millions mark. The corresponding figure last year was $56.5 millions while back in 1933 it was but $25.6 millions. Also in comparison with 1935 it must be remembered that the 1936 margin has been achieved in spite of the fact that $10 millions of new cars were sold in November and December (compared with $3 millions the previous year) due to the early introduction of new models.

Registration returns for Ontario and Quebec in May (figures for other provinces not yet available) show new passenger car sales up 13.7 per cent over May, 1935. Cumulative sales in these two provinces for the first five months of the year are higher by 9 per cent.

The gains are not equally distributed, however. Thus May figures show one car increased its sales 47 per cent during the month while two others showed increases of 31 and 40 per cent respectively. Some makes on the other hand show declines ranging from 6 to 38 per cent compared with corresponding figures a month ago.

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Eastern Lumber Prospects

The June business summary of Royal Bank of Canada draws attention to the lumbering situation in Eastern Canada which was adversely affected by unexpected termination of the winter season and rapid disappearance of snow with unusually mild weather. "As a result," says this review, "many lumbermen were unable to move all of their cut from the woods. Driving operations were hampered by the early run-off of the water. In a general way, the cut is estimated at about 60 per cent of that of the previous season; the quantity of pulpwood cut is greater than last year. Unsold stocks of lumber, however, are still substantial."

"Market conditions for eastern lumber show little change. Exports to Great Britain are going forward in moderate volume but no active demand from the United States has developed as yet although prospects are considered favorable.

"A recent development of interest was the placing of an order by British buyers for Nova Scotia spruce for July shipment. Should the quality of the lumber be found comparable with similar supplies from Russia, it is anticipated that further business will result.

"Weather conditions in British Columbia were also unfavorable for lumbering, but prospects for the industry are most encouraging."

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Three Million Women

Last week's most important business news item from U. S. A. seems to have been the Supreme Court decision knocking out New York State's minimum wage law for women. This was a law to provide wage minima for about 85,000 women workers in New York laundries. The adverse decision is said to have been the result (in part) of poorly written legislation and has wide implications not only in the realm of politics but also because it prevents New York officials from applying wage regulations under the law to hotels and restaurants and is said to have the effect of scrapping similar laws in 16 states involving perhaps 3,000,000 women.

Changes of the Week

Favorable

Carloadings dipped sharply in the week ended May 30 but comparisons are upset by reason of the holiday occurring a week later this year. After adjustment, the index showed a slight increase.

Sugar shipments and meltings for the four weeks ended May 16 showed substantial gains over 1935. Cumulative total for manufactured output in 1936 is still behind last year's figure.

Flour production was ahead of corresponding figures last year for third consecutive month.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1936	1935	—Cumulative Total— Jan. 1 to date 1936	1935
Transportation—				
Car loadings (May 30)	▲40,241	43,834	942,175	935,411
C.N.R. gross earn. (May 31) .. $	▲4,893,817 $	4,580,816 $	70,921,663 $	66,429,710
C.P.R. gross earn. (May 31) .. $	▲3,380,000 $	3,298,000 $	51,084,000 $	46,336,000
Business Conditions—				
Weekly index D.B.S. (May 30)	▲103.1	101.3	......	......
	MONTHLY DATA 1936	1935	1936	1935
Business Conditions—				
Financial Post index (Apr.)..	107.2	98.6	......	......
Transportation—				
C.P.R. net revenue (Apr.) ... $	1,337,457 $	1,412,597 $	4,165,161 $	3,514,292
C.N.R. net revenue (Apr.) ... $	1,455,306 $	1,526,995 $	1,532,048 $	2,008,694
Iron and Steel (April)—				
Pig iron production (tons)	54,045	43,388	225,141	169,790
Steel ingots and castings prod. (tons)	107,220	68,530	401,902	241,902
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Apr.)	17,264	15,401	35,744	33,480
Factory output (Apr.)	20,247	20,688	56,849	61,021
Trucks and Buses:				
Domestic sales* (Apr.)	3,394	2,766	7,470	6,351
Factory output (Apr.)	▲4,704	3,435	12,693	13,798
Exports (Apr.)	▲5,081	6,310	20,123	26,694
Construction—				
Building permits (Apr.) ...... $	3,183,336 $	6,300,046 $	8,740,707 $	14,807,316
Contracts awarded (May) .... $	14,962,800 $	16,302,400 $	56,905,100 $	57,073,100
Newsprint (tons)—				
Production (April)	258,721	222,224	952,145	810,170
Exports, tons (April)	192,893	158,923	818,417	696,453
Sugar (lb.)				
Melting & shipments§ (raw) .	▲92,560,733	80,171,459	207,081,288	197,493,501
Manufactured§	▲86,330,367	77,519,642	199,930,805	207,027,807
Flour (bbls.)—				
Production (Apr.)	▲1,009,464	965,765	4,182,210	3,978,227
Wheat flour exports (Apr.) ..	281,162	276,907	1,412,348	1,430,163
Trade—				
Retail trade (index no. of sales) (Apr.)	▲70.7	69.5	......	......
Imports (April) .... $	42,320,032 $	36,636,702 $	177,272,737 $	159,100,957
Exports (April) .... $	57,963,193 $	48,034,837 $	260,147,193 $	226,029,793
Wheat exports (bush.) (Apr.)	6,572,364	5,027,403	41,507,038	26,520,608
Employment, D.B.S. Index (May 1)—				
All industries	†99.5	95.2	......	......
Manufacturing	102.7	95.6	......	......
Electric Power Output (April)—				
Total monthly (000's omitted)	2,163,717	1,831,029	8,327,760	7,640,773
Aver. daily	72,123	62,701	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (April)	107,949	63,866	348,141	327,848
Boot & shoe prod., pr. (Mar.)	2,110,598	1,938,800	5,459,797	4,848,721
Crude petrol. imp. gal. (Apr.)	54,142,896	40,446,492	220,312,161	197,617,650
Cotton imports, lb. (Apr.)	7,122,912	8,835,554	52,343,912	37,338,554
Raw rubber imp., lb. (Apr.) .	2,416,012	2,380,166	14,662,284	17,923,674
Coal imports, tons (Apr.)	▲492,870	632,071	1,982,650	2,152,419
Finance—				
Bank debits (April) .... $	2,773,756 $	2,366,725 $	11,132,084 $	9,373,616
Bond sales (April) .... $	104,655,000 $	76,570,000 $	499,047,114 $	137,909,974
Life insurance sales (Mar.) .. $	31,664,000 $	31,416,000 $	96,125,000 $	93,120,000
Automobile Financing—				
Used cars (Apr.) .... $	▲2,876,257 $	2,123,201 $	6,525,596 $	4,707,853
New cars (Apr.) .... $	▲4,250,685 $	3,250,246 $	8,470,752 $	6,794,688

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to May 16.

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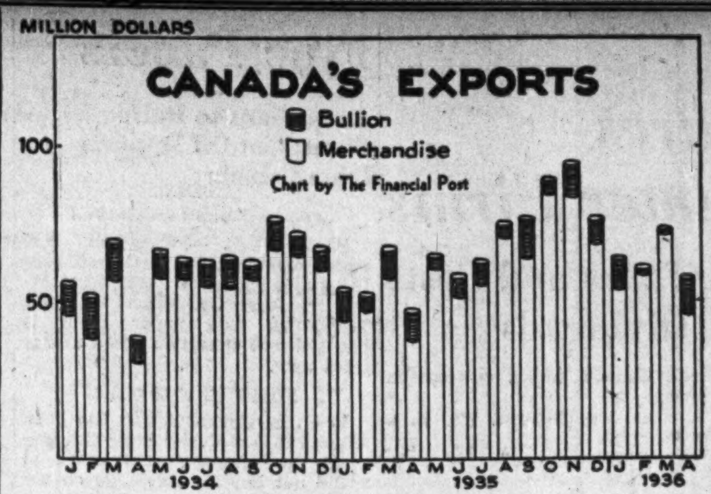

BULLION BOOSTS TRADE TOTALS

The story was recently told on this page of the wide effect on Canadian export figures of the government's decision to henceforth include exports of gold bullion as merchandise.

The shaded areas on each bar indicate the amount which has been added to Canada's monthly export figures over the past two years by this decision. Subsequently new export figures back to 1920 will be compiled by Ottawa.

Background of Business

Auto Plants Await New Tariff Rulings

Manufacturers Still in Dark on Many Points — Studebaker Not Manufacturing — Queen Mary's Record — Steel Prospects

Although Mr. Dunning's budget is now a matter of history, the Canadian automotive industry is still waiting to see just where it stands under the new régime. After weeks of negotiation with customs officials, company executives are still forced to mark time until a departmental officer visits the plants with a view to gleaning information at first hand on contentious points. This visit has been postponed a week due to illness of an important member of the government deputation.

One important point to be decided is the eligibility of certain parts under the new import schedules and whether or not these parts will be eligible for favored treatment if certain work is done by the U. S. plant before they are shipped to Canada.

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Studebaker Closes

Meanwhile Studebaker Corp. of Canada has ceased manufacturing in Canada for the time being although the Canadian organization will still be retained. The company had made no commitments for Canadian manufacture prior to the budget announcement so nothing more will be done at the Canadian plant at least until 1937 models arrive.

By that time it is expected all controversial matters regarding the new tariff schedules will be clarified and decision to cease manufacturing may be reconsidered.

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Queen Mary's Record

Queen Mary established at least one record on her maiden voyage. The number of telephone calls with the ship was the largest ever handled on an Atlantic crossing. On one day alone (Sunday, May 30) 37 calls were put through. Demand for accommodation on out-going (ship-to-shore) calls was so great that the service fell 12 to 15 hours behind at times.

Radiogram traffic was equally congested. At one press conference the ether was plugged 24 hours ahead and pressmen were required to rewrite their stories condensed to 200 words. Everyone who received a radiogram on board had it delivered in a big silver souvenir envelope.

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High News Value

Another record is undoubtedly the amount of "tie-up" advertising used by enterprising merchants and manufacturers in connection with the voyage. Both U. S. and Canadian papers got millions of dollars revenue from firms anxious to cash in on the news value of the big event. Both Toronto's big department stores made a big feature of special merchandise brought across on the Queen Mary and thence by plane to Canada. The goods broke all records for speedy trans-Atlantic transport. One store had made big plans to get the goods on display by Monday night but delays held the event till Tuesday morning June 2. It was there bright and early at 8.30 a.m., however. A model "cabin" display in a Toronto store has for several weeks pulled 7,000 to 8,000 daily on good days and never less than 4,000.

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Wholesale Trade Higher

Wholesale trade increased 7.2 per cent in April 1936, over April 1935, according to reports submitted by approximately 200 wholesale houses operating in nine different lines of business. March sales showed an increase of 5 per cent over the same month last year. February sales were up 3.7 per cent and those of January up 4.4 per cent as compared with the same months of 1935.

While increases were recorded in all economic divisions of the country, British Columbia again reports the greatest improvement in April sales with an increase of 15.6 per cent over last year. Ontario showed an increase of 2.6 per cent, Quebec 7.1, Prairie provinces 8, Maritime provinces 11.7 per cent.

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British Motorists Coming

An Englishman has organized four groups of British motorists who will visit the United States and Canada during the summer, says Business Week. The first group of 35 automobiles and 83 guests arrived on the Queen Mary. They are touring New York, Washington, Detroit, then into Canada by way of Niagara Falls, Toronto, and Ottawa to Montreal.

There they will embark on the Duchess of Richmond for the return voyage. The three later groups will reverse this itinerary, arriving in Montreal on the Empress of Britain and embarking on the Queen Mary in New York.

A novelty connected with the tour is the fine weather provision. A British insurance company will pay each traveller $15 for every day of bad weather while in this country.

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Biggest Cargo

The largest cargo ever to leave Montreal for Australia in a single bottom went out last week in the Ellerman and Bucknall freighter, City of Delhi—the first Australia-bound ship of the new Montreal-Australia-New Zealand Line.

The boat carried newsprint, automobiles and general cargo to ports of the Dominion "down under," and is the second sailing of the new company. The initial clearance was City of Batavia for New Zealand.

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Steel Prospects

Leading steel authorities of the U. S. met recently in New York for the 45th general meeting of American Iron and Steel Institute and reported themselves more encouraged by the outlook for their industry at present than in the past five years. The unfavorable "shopping around" by customers which featured the first four months of the year is thought to be at an end, and summer and fall business will be placed early, it is expected, to avoid the price advance of $2 per ton on third quarter deliveries. This will accelerate buying till the end of June.

One factor expected to offset the customary summer lull is the demand from automotive accessory industries in preparation for new models early in November.

Major problems discussed by steel men were labor, new taxes and legislation. The industry recently granted vacations with pay to certain mill plant workers at a cost of approximately $9 millions a year, which is considered a step in the right direction. Cost of the new social security law is expected to be between $30 and $36 millions, both of which factors appear to justify increased costs leading toward eventual higher prices.

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New Chain Stores

According to the Canadian Business Research Bureau, 15 new retail chains containing 59 stores were established during April in Canada and 25 new units were added by chains already established.

In the drug trade 4 new chains came into being with a total of 12 stores.

In the grocery trade 3 new chains were added to the list and 15 units were added by old chains.

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British Steel Higher

British steel prices were recently advanced for the first time since 1929.

An increase of 12/6 a ton on boiler plates, sections and joints, and an increase of ten shillings a ton on medium plates was announced by the British Heavy Steel Assoc.

Fixed minimum prices for No. 1 east coast hematite pig iron has been advanced to 80/6—up 3/8.

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Boost for Canada

What they think of Canadian food products in the Old Country is illustrated in a menu issued by the Southern Railway with headquarters in London, England. The menu has been sent Canadian Grocer by J. Herbert Hodgins, editor of Mayfair, who recently returned to Canada on the big, new "Queen Mary" steamship.

On the back of the menu which Mr. Hodgins picked up on the way to London from Bournemouth appears the following: "From the Empire's larder—Canadian bacon, hams, honey, tomato sauce and canned fruits are served here—they are wholesome and delicious—your grocer has them and a host of other good things from Canada. Make a note to ask him for them when you get home—if it's Canadian, it's good."

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Russian Boom

Heavy industry is starting to rumble once more in Soviet Russia. During 1936, the Soviet Union is said to be planning new heavy industrial plants involving an expenditure of 9 billion rubles, thus increasing output capacity in all branches of heavy industry.

In the coal industry, 18 new mines are to be worked with a total capacity of 5.7 million tons, and in the oil industry, 16 new cracking units with capacity for treating 3.2 million tons of oil will be put into operation.

Dom. Textile's Taxation Load Over $850,000

Bill Equals $42 a Share on Preferred Stock

MILLIONS ON SUPPLIES

From Our Own Correspondent

MONTREAL.—Taxes paid directly and indirectly by Dominion Textile Co. in the year ended March 31, 1936, were equivalent to $42 a share on the company's outstanding preferred stock.

Tax Bill Detailed

Over the 12 months ended last March, Dominion Textile paid $819,541.60 to Dominion, provincial and municipal governments. The type of tax and amount paid follows:

Type of Taxation	Amount
Excise on raw materials	$173,080
Sales—work within company	13,365
Sales—on supplies	130,870
Property and business	224,396
Provincial	71,166
Federal income tax	206,665

In addition to the foregoing taxes, Dominion Textile Co. paid an additional $54,822 Federal income tax last year. These payments represent taxes on prior years' income, as a result of retroactive amendments to the Act..

The foregoing is the company's contribution to the governments. Then there is the part played in the general welfare of the country, more particularly in the communities in which the company has mills.

$3 Million on Supplies

Last year purchases of supplies, apart from raw cotton, and not including duty or taxes, amounted to over $3 millions, of which 76 per cent was expended in Canada.

There are over 500 other Canadian firms supplying Dominion Textile with articles required for the everyday operation and maintenance of mills.

In addition, purchases of chemicals, starches and dyestuffs totalled over $1 million of which $322,117 was purchased in Canada and the balance imported from nine different countries, the chief of which were Great Britain, United States, Germany and Switzerland. The regular excise and customs duties applying on such importations were either paid directly by the company to the Government or were included in the price charged by the direct importers.

Help Potato Industry

Along these lines it is pointed out that the cotton textile industry is one of the main consumers of starch made from New Brunswick and Prince Edward Island potatoes, and, in years of serious over-production, has stood that branch of agriculture in good stead.

Moreover freight and express bills paid by Dominion Textile Co. last year were in excess of $1 million, the greater part of which was earned by Canadian transportation services.

Provide Work When Needed

So much for the commercial life of the country. Wage earnings of Dominion Textile employees have been a stabilizing factor in several communities and, in such places, there has been little or no relief problem confronting the local authorities. For example in Magog, P.Q., a town of some 8,000 people, the company's cotton mill and print works have been giving employment to approximately 1,500 people.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.00	$6.00	$7.00
Hogs	9.15	8.75	10.15
Copper, lb.	.09½	.09½	.09
Cotton, lb.	.1178	.1177	.1205
Rubber, lb.	.1570	.1562	.1262
Sugar, raw, lb. ..	.0375	.0372	.0335
Silk, lb.	1.47	1.47	1.42
Wheat (Man.) bus.	.78¾	.75¾	.82¼
Coffee, lb.	.07	.07⅛	.07⅛
Weekly Indices			
N. Y. Annalist	120.4	120.6	124.7
Fishers'	81.2	81.2	82.3
N. Y. Journal of Comm.	79.5	79.6	79.8
Crumps (Brit.)	68.2	67.7	65.0
U. S. Labor	78.7	78.6	80.9
Canada (D.B.S.) ...	71.8	71.8	71.9
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (May)	80.1	79.8	78.8
W'sale (May) ...	71.8	72.2	71.9
U. S. Labor (Mar.).	79.6	80.6	79.4
Gt. Brit. (Mar.) ...	91.7	91.7	86.9

Note: The base of indices is that 1926 equals 100. British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows. cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar——96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

British Motor Cycles Get Canadian Orders

British motor cycles are now competing successfully against American-made machines in the Canadian market.

An order for motor cycles for the Royal Canadian Corps of Signals was recently placed by the Department of National Defense at Ottawa with B.S.A. Cycles, Ltd., of Birmingham. It is the first order for many years that any British motor cycle manufacturer has received from a Government Department of Eastern Canada.

While the quality of British machines has long been appreciated in Canada, American manufacturers have had the advantage of being able to give better delivery and more adequate service. British manufacturers have now arranged for their machines to be efficiently serviced in Canada.

CONTRASTS IN RECOVERY

Has recovery sprung from different sources in Canada, Great Britain and the United States? Can it continue?

These are among the questions considered in our June Monthly Letter, a copy of which will be mailed upon request.

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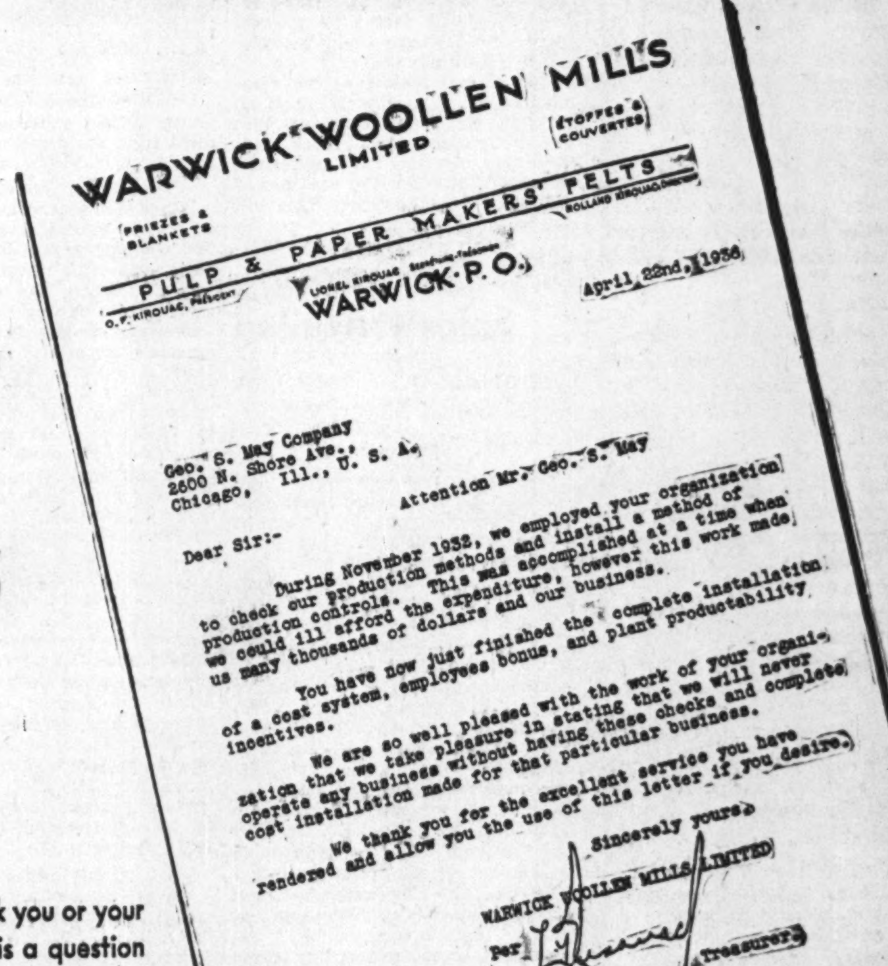
OUTSMART PRICE CUTTERS
With More Efficient Management

Are you letting your buyers break you or your competitors set your prices? That is a question which every manufacturer must face squarely. It is easy to shout "Chiseler" when competition suddenly knocks the bottom out of the market ... but that doesn't solve the question.

Real profits can be made by cutting costs in your own plant. Operating expenses must come down. Only through a more efficient control all along the line can you cut out waste and make profitable selling prices in line with those of competitors. A financial analysis of your business may uncover many leaks through which profits are escaping.



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Purvis Group Will Question Relief Takers

Nation-wide Investigation Planned by Ottawa Commission

BONUS TO INDUSTRY?

From Our Own Correspondent

OTTAWA.—The National Employment Commission, under the chairmanship of Arthur B. Purvis has mapped out a line of immediate action and is continuing to hold sessions at Ottawa in order to permit of a broad discussion of unemployment.

Chief decision of the commission to date is to proceed vigorously with the census of the unemployed in receipt of the dole. It is apparent that the "census of the unemployed" is a somewhat euphemistic phrase which cloaks a wide range of intense activity. What is under way is a detailed investigation into every recipient of the dole.

Each individual will have to fill out a questionnaire which will contain all the information necessary to a complete investigation of his case—earnings of himself, if any, or of others in his household. When the commission is finished with this census, there will be little further need of auditors or other investigators and the relief bill of the country may be substantially smaller.

Bridging the Gap

Broadly speaking, the function for which the commission has been cast, is to devise means of coping with the relief problem in the next year or two. The government, is satisfied that the fiscal policies now being pursued will bring the country out of the depression—providing there is no world-wide collapse in the form of war. Trade is expanding more rapidly than the government expected and barriers in restraint of trade will be reduced further in the present year.

The problem is to bridge this gap and the commission is elected to the job of solving it. The census now under way will do more than make it comparatively simple to identify malingerers. It will enable, it is hoped, sound reconstruction policies to be worked out. The commission will know, when all facts regarding the unemployed have been assembled, the kind of policies which will meet with the greatest degree of success; the kind of work for which the bulk of the unemployed are best fitted.

Apprenticeship and Farm Aid

Antagonism to the proposed apprenticeship policy will not deter the commission from adopting it, although the application may be restricted. Policies of farm placement and farm settlement will be pressed forward.

Bonus Heavy Industries?

In addition, it is learned that the commission has good reason to believe that the heavy industries of the country can be stimulated by a policy of small scale bonusing. Many large industries propose to enlarge their plant and equipment a few years hence and would be willing to proceed with the work now if the government would carry the interest charges for the intervening period—say two or three years.

The general feeling at the commission offices is that there is no pressing need for quick decisions. The first major test will come when the single men now working for the railways finish for the season and drift back into the cities. This will not be until autumn.

B. C. Newsprint Sales Curtailed

Companies at Coast Out of South American Market

From Our Own Correspondent

VANCOUVER.—South America is now virtually out of the picture so far as British Columbia newsprint mills are concerned, and the reason is Scandinavian and German competition.

There was a time when British Columbia mills sold substantial volume to some of the South American countries, but the foreign exchange situation has been an effective deterrent in recent months.

Argentina operates under a tariff and exchange arrangement whereby the country endeavors to control imports to the amount of exports in relation to the nation with which it does business. Canada happens to be one country that does not buy a great deal from Argentine, because the two countries produce approximately the same commodities. What newsprint Argentine does buy comes from Scandinavia and Germany, both of which countries find it convenient to buy Argentine's wheat, meat and other products.

Germany entered the South American market with low priced newsprint comparatively recently.

Germany has been selling in Mexico for the same reason, and because of this competition British Columbia mills have been shut out.

Defer Special Meeting For Loew's London

A special committee of shareholders of Loew's London Theatres Ltd. has asked that a special meeting be called to review the company's contracts with Marcus Loew Booking Agency. G. H. Belton, president, has written stockholders stating that needless expense in calling a special meeting can be avoided by discussing the whole situation at the annual meeting.

In the year ended Aug. 29, 1935, the company showed earnings of 15 cents a share on the preferred, but has been paying half dividends of 35 cents a share on the stock of $10 par value. It is understood one reason the company's earnings have not risen is that London has excess theatre capacity.

Some shareholders have felt that the arrangement with the Marcus Loew Booking Agency is partly responsible for comparatively low earnings. At a recent meeting in London called by the special committee, a resolution was passed approving retention of the contract with the booking agency

Investing for the Next Five Years

Stability and Hope in Shares Of Service, Consumer Firms

Business Volume May Rise Faster Than Taxes and Costs Allowing Improved Earnings and Dividends

Securities of companies supplying consumer goods and services in Canada have the attraction of comparative stability, not unmixed with possibilities for improvement as investments in the next 5 years.

In a rising tide of business volume, consumer and service industries are regarded as favorable equity investments, even though they may not all give the maximum protection against such hazards as rising price levels, increasing taxation, and the possibility of war.

Necessities in Recovery

Food and clothing, light, heat and banking services are necessities for which there is a continuous market. Business recovery in some of these lines has been substantial, but in many cases leaves room for further improvement even though it may not be as sharp as in other fields.

Price recovery for securities in consumer and service industries reveals a fairly consistent upward trend, indicative of their ability to weather depression with minimum losses and of their ability to regain profits quickly as business improves.

Income yields up to 5 per cent are not uncommon in equity securities of consumer and service companies, such as food distributors, utilities, banks and other similar groups. In this respect they offer distinct attractions at a time like the present when bond yields continue to decrease.

Problem of Costs

The possibility of rising costs is one of the disadvantages that must be considered in investigating these consumer and service stocks. Taxes have been raised and will probably continue heavy in the next 5 years for chain stores, public utilities and banks. Rising prices may be absorbed or passed on to consumers, but not without some difficulty.

These companies usually have substantial overhead charges, however, which may not rise commensurately with their business volume. For example, utilities may be able to absorb higher taxes by refinancing their bonds at reduced interest rates. Chain stores will hardly find their rent and wage bills rising quickly.

Important Group

Provided increases of costs can be retarded, or absorbed in greater business volume, the substantial yields and comparative stability of consumer and service stocks lend attractions to the investor. A group of important consumer goods shares follows:

	Depression Record		Current Position			
	High '29 $	Low '32 $	Price $	Earn. $	Div. $	Yld. %
Imp. Tob.	11.50	6.25	13.75	0.57	0.52½	3.8
Nat. Brews.	32.00	9.50	43.00	2.46	1.60	3.7
Fanny Farm.	9.25	1.75	14.25	1.28	0.50	3.5
Laura Secord	57.00	28.00	67.00	3.95	3.00	4.5
Loblaw A	24.75	9.00	20.00	1.08	1.00	5.0
Cons. Bak's	43.50	2.50	16.25	0.90	0.90	5.5

Common shares in these companies reflect substantial improvement from the depth of the depression, both in yield and value.

Smoke, Drink, Eat

Imperial Tobacco can be bought on a small yield in expectation that the company's profitable earnings basis can still improve. Despite heavy taxation, the company has been able to expand profits.

Brewery stocks have not been especially successful investments in Ontario, but National Breweries in Quebec has been able to improve its business in that province and also in Ontario. One reason is that smaller plants have been consolidated and by good management the company has increased its earnings sharply since 1932. The one possible trouble may come in higher taxation.

Few of the chain store stocks can equal the record of Laura Secord which yields 4.5 per cent at present. Earnings dropped from $6.56 a share in 1930 to $3.77 a share in 1934, but have since risen close to $4 a share. Astute management has been in evidence and the company has no credit problem, although income may decline on its substantial investments in bonds. The company's ability to increase earnings in the period of shifting commodity prices since 1929 is reassuring.

Candy and Foods

Fanny Farmer Candy Shops, American sister firm of Laura Secord, has a remarkable recovery record, earnings having more than doubled in the past two years. This rate of improvement may not continue, but the U. S. chain still has expansive possibilities.

Loblaw Groceterias has increased earnings and dividends even through the depression and is ranked as one of the best food distributing organizations on this continent. While the A shares are really participating preferred stock, dividends have risen to a point that gives the shares the aspect of a purely equity investment.

Lesser Lights

Stiff competition has finally brought about some consolidation in the baking industry and Consolidated Bakeries has benefitted from more stabilized conditions. The high yield on the shares, however, is indicative of past difficulties and the fact that all earnings were paid in dividends last year. Further expansion of consumer buying power should help the company to improve earnings.

Dominion Stores common and National Grocers common are among the shares of food distributors that might well be considered by the investor who looks ahead. No dividends are being paid by either company. Dominion Stores has a task to recover lost earnings and National Grocers will take some time to pay off arrears of preferred dividends. Shares of either or both companies, however, hold possibilities of improvement in two or three years.

Business Supply

Common shares of Moore Corp. and F. N. Burt should benefit in a business uptrend since both are dependent upon increased demand for business forms, packaging materials and similar products for their earnings:

	Price $	Div. $	Yld. %	Equity $	Earn. $
Moore Corp.	36	1	2.61	11.45	2.2
F. N. Burt	42	2	4.76	32.78	1.9

One reason that Moore Corp. sells on such a low yield basis is that its earnings are believed to be stated with great conservatism, and that there is a possibility of improved dividends. It should be remembered that both companies are dependent to an important extent upon U. S. business conditions and on Rooseveltian taxes and restrictions. The situation is beginning to look clearer so that further recovery of their earnings is possible.

Public Utilities

Public utility equities suffered from the depression, but earnings declined far less than for other industries. Conversely, their earnings have risen with recovery, but not as much as for other firms.

Substantial yields bring these three into sharp focus:

	Earn. $	Div. $	Equity $	Price $	Yld. %
Bell Tel. .	5.74	6.00	111.00	148.00	4.5
B. C. Pwr. A	1.69	1.60	33.69	30.00	5.3
Montreal L. H.&P. ..	1.75	1.50	22.76	32.00	4.7

Bell Telephone Co. is too well known to require description. Earnings last year fell short of the dividend, but are expected to rise and to cover the payments.

B. C. Power is improving its power sales and its earnings. Montreal Power has paid the present dividend through the depression.

All three companies, like other utilities, face the possibility of higher taxation within the next five years. Also, they cannot increase their rates easily. On the other hand, Montreal Power is lowering its interest charges by refinancing bonds and B. C. Power may do the same. Bell Telephone has not the same opportunities because large bond issues are not yet callable.

Despite inability to raise rates, operating expenses should not rise very rapidly in comparison with possible increases in revenues. Consequently there are prospects of improved earnings coupled with stable yields.

Shares of Banks

Bank shares are an important group of service securities upon which yields of 4 per cent and more are obtainable. Omitting only the French Canada banks, comparison follows:

Bank:	Price $	Div. $	Yld. %	Earn. $
Canada	58	2¼	3.9	7.64
Montreal	192	8	4.1	8.35
N. Scotia	283	12	4.2	13.20
Toronto	230	10	4.3	13.11
Royal	170	8	4.7	8.87
Imperial	208	10	4.8	10.84
Dominion	205	10	4.9	11.81
Commerce	153	8	5.2	8.80

Bank of Canada differs from the others, not being a commercial bank. The shares may be considered as perpetual government securities, since the dividend is fixed and cumulative. The maximum probable price for the shares within five years would appear to be $65 to $70 and the probable low not under about $50.

Commercial Banks

All the commercial banks are more or less in the same boat. They have found little demand for increased commercial loans and have had to buy huge blocks of government securities upon which their interest revenue is very small. This has forced them to reduce interest rates to depositors as a major cut in overhead expenses.

Within five years there should be some increase in commercial loans which would help bank revenues. There does not seem to be much possibility of further reductions in the banks' expenses. If their commercial loans do expand the days may return when banks are able to pay bonus dividends.

Securities of trust and loan companies are in much the same position as those of the chartered banks, only it is good mortgages these organizations seek, rather than commercial loans.

Contrasts in Transport

C. P. R. common and Ford of Canada A shares offer a contrast in what might be called transportation securities.

Traffic earnings of the C.P.R. have been rising and there is evidence that the road should participate in improving business conditions in the next 5 years. Preference dividends have yet to be resumed, however, and it is a matter of conjecture when common dividends will be earned, C.P.R. common around $12 a share has great possibilities within the next five years, but no one can guess exactly what will develop.

Ford of Canada shows its earnings coming mostly from dividends of foreign subsidiaries. Irregular dividends are paid, when earned, and this uncertainty hardly contributes to the investment attractions of the shares. Stability of the Canadian tariff, however, may allow better dividends, substantial yield, and an increase from the present price of about $20 a share.

Interest in Textiles

Among the equities of Canadian textile firms, interest in the common shares centres in the following:

	Depression Record		Current Position*			
	High '29 $	Low '32 $	Price $	Earn. per sh. $	Div. $	Yld. %
Dom. Tex.	118.00	39.00	69.25	3.66	5.00	7.2
Cosmos Imp.	28.85	2.00	20.00	1.47	.80	4.0
Can. Celan.	29.00	3.37	27.50	3.18	1.60	5.8

* Based on latest available figures.

Taxation and tariffs are factors creating an element of uncertainty in the operating results of Dominion Textile Co. and risk attaching to its shares as a result of these influences, should be recognized by the investor. Dividends on Dominion Textile common are being paid at a $5 per annum rate, but earnings have not equalled that figure during the last two years.

On the other hand, the company has paid dividends without interruption, at varying rates, since 1907, and over the long term it has proved, attractive in an average annual yield to investors of 4.86 per cent for the last thirty years. Such a record has significance, and tends to discount other risks.

Celanese Yield

Canadian Celanese is of interest to the investor seeking a relatively high yield and who is prepared to assume a proportionate risk of fluctuating future earnings. The company inaugurated the $1.60 per annum dividend basis only this year. Nearly twice that amount has been earned on the common in the last two years and earnings in 1935 enabled the company to clear all obligations which had been in arrears on the preferred.

Prospects are for continued increases in sales and earnings, providing taxation is confined within reasonable limits, and tariffs are not subjected to drastic revisions.

Cosmos Imperial Mills Ltd. has small capitalization, consisting of $500,000 5 per cent preference and 100,000 common shares. Current yield on the common is rather low at 4 per cent on the basis of the new 80-cent dividend, but there is reason to hope for a higher return in the event of continued increases in business volume and income. Net earnings have risen steadily since 1932.

Outlook for Industries

Because of the comparatively stable nature of business of these company groups, the outlook for the next 5 years is clearer than for others.

First, there is the probability of gradually rising volume.

Second, there may be increasing taxes and gradually rising overhead costs.

Third, these services and consumer goods organizations may be able to reduce fixed charges, as the banks and others have done, by obtaining lower interest rates.

Finally, although shares of these companies do not offer the greatest protection against violent inflationary influences, it should be remembered that they will benefit from increased consumer purchasing power and that a moderate inflationary trend in the price level may therefore help rather than hinder improved returns to investors.

Fine Papers

Australians to Build Plant; Cut Off Imports from Canada

From Our Own Correspondent

MONTREAL. — Canadian fine paper makers stand to lose all, or the major share, of a $200,000 market in Australia when the new Tasmanian fine paper plant is brought into operation about a year from now.

First Unit of 50 Tons

In an agreement which has been entered into with the State Government the company undertakes to spend not less than £200,000 on the erection of buildings in the current year. The first unit will manufacture 15,000 tons of paper annually, or a daily output of approximately 50 tons. The classes of paper to be manufactured will be fine printing and writing papers.

Last year Canadian companies marketed about 1,300 tons of book paper, having a value of $178,269 in the Australian market. The records of exports show that Australia has steadily increased its purchases, the dollar value of exports having increased about 200 per cent in the last four years.

Asbestos Operators Plan Reopening of Mills

From Our Own Correspondent

MONTREAL.—Shipments of asbestos from Thetford Mines, during April, amounted to 7,250 tons as compared with 9,275 tons for the corresponding month of last year. The decline is regarded as seasonal. The companies operating in the area plan to reopen this summer mills which have been closed for several years.

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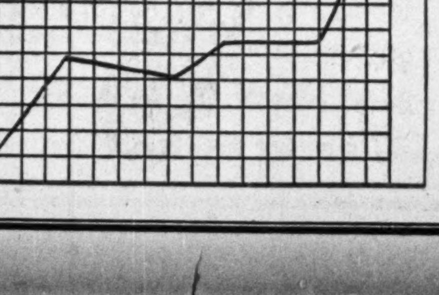

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Combination advg. rate 15c per line—
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Storing up Health for 1956

HOW healthy will your boys and girls be twenty years from now?

The time to lay the groundwork for healthy adult life is during Childhood—and the place is outdoors—running, jumping, hiking, wrestling, swimming, skating, skiing, bicycling, playing football, baseball, soft ball, tennis. Supervised gym work or self-directed exercises at home supplement outdoor play.

While the majority of healthy boys and girls need no urging to take part in active games, many of them can develop better muscles, greater skill and more natural grace in their sports if they have proper direction. The way your child sits, walks, runs, stands, lies in bed may determine, long in advance, whether or not he, as an adult, will be straight and graceful in form — without bone or posture defects.

Sunshine is one of your child's greatest allies. It is essential for health and development. But sunshine which passes through ordinary glass loses its real, beneficial effect. Gray light of a cloudy day outdoors is more healthgiving than bright sunshine filtered through ordinary glass. Sunlight helps to prevent rickets. It is as important to keep a child out in the sunlight, as it is to safeguard the quality and amount of his food.

Have your doctor examine your child at regular intervals to find out whether or not he has any defects which if uncorrected would prevent proper growth and development.

The building years of childhood are of vast importance to the mind as well as to the body. A child, in active games, may learn the spirit of fair play, honesty and courage, which contribute to success and happiness in later life.

Send for a free copy of "Keeping Fit Through Exercise," which is planned to help parents as well as children enjoy better health. Address Booklet Department 6-F-36.

Keep Healthy—Be Examined Regularly

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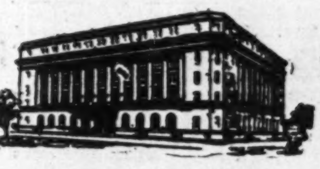

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Bawlf Grain

Can you tell me if the common stock of Bawlf Grain will increase in value this year? I have held shares in this company for some time.

Bawlf Grain common stock is still a speculative security. The company has not reported earnings on this stock since 1929. In the report for the fiscal year ended July 31, 1935, the president reported prospects for the year ending July 31, 1936, indicated a short crop which inferred no improvement in handlings and possibly lower earnings. There have been no developments to change this view and, on that account, there is little reason for anticipating an increase in the value of the common stock.

Calgary Power

The present market value of Calgary Power's preferred stock appears low. Could you advise as to the reason for the recent drop in the market value of this particular stock?

Calgary Power Co.'s securities have suffered marketwise because of the association of that company with the Ottawa Valley Power. Calgary Power invested about $2 millions in the junior securities of Ottawa Valley Power and this amount was capitalized in the form of additional bonds. As you are probably aware, Ottawa Valley Power has lost its power contract with Ontario Hydro and consequently has no revenue.

Despite the unsatisfactory position of the investment with Ottawa Valley Power, the position of Calgary Power's preferred stock is not as bad as it might seem. The financial statement for 1935 indicated that without the revenue ordinarily received from Ottawa Valley Power, the company was able to cover the dividend on its preferred stock. Furthermore we are informed that the power load of the company has shown a satisfactory increase this year and expectations are that earnings will be somewhat larger.

Dominion Stores

I would appreciate if you would give me a brief report and the latest information on Dominion Stores.

The capital stock of Dominion Stores consists of 280,014 common shares, there being no other securities outstanding. Last year, the company showed a total deficit of $610,000, or almost $2.20 a share. This deficit arose partly from the writing down of inventories, and the renovation of store properties and other equipment. As a result of the thorough housecleaning of its properties, Dominion Stores appears to be in a considerably improved position.

Sales have been increasing satisfactorily, and the fact that this improvement has been effected on a smaller number of stores indicates that the volume per store has been rising. The importance of this is that volume per store is necessary to establish earnings. The company has a working capital of over $2 millions, so that it is well equipped to pay dividends, if and when earnings permit.

The merits of the shares for investment purposes depend entirely upon the success of the company in regaining its former large earnings. One handicap in doing this is that in Quebec, where a large number of stores are operated, heavy taxation is being levied on chain stores. Probably a report on the operations for the first six months of this year will be made some time during the summer, and it will be possible then to appraise more accurately the success the company is having in its comeback campaign.

East Windsor Bonds

I hold some 5½ per cent debentures of East Windsor due 1932, 1937 and 1939. Have you any definite information as to what I may expect to receive under the refinancing plan?

New 60-year debentures carrying two per cent are likely to be issued to holders of all East Windsor bonds. This is irrespective of present maturities and coupon rates. Legal details of the financial reorganization in connection with amalgamation of the Windsor municipalities will be completed shortly.

There is also a provision in the proposed new bonds to provide payments of income interest, if and when the city's expenses and revenues rise. It will probably be a long time, however, in the case of East Windsor before holders of that municipality's bonds get any benefit from the income feature.

Mersey Paper

Would you be good enough to let us have your opinion on Mersey Paper Co.'s general mortgage bonds. Are there any bonds ranking ahead of these?

Mersey Paper Co. has not been able to publicly finance its first mortgage bonds. They have been put up as collateral to cover loans from the banks. At some future date, the company will take steps to put these bonds on the market, at which time the bank loan will be liquidated. Meanwhile the company's operations are at a capacity figure with the prospects of a further advance in price next year, the earning power of the company should improve. Interest requirements of the general mortgage bonds have been covered.

Burns & Co.

Are bonds of Burns & Co., Calgary meat packers, a safe investment? I notice the income bonds sell considerably lower than the fixed interest bonds.

The first mortgage bonds of Burns & Co., upon which interest is fixed at 5 per cent cannot be termed absolutely safe in view of the depression record. However, the interest is now being covered by a wide margin, and this can apparently be continued, given anything like normal conditions.

The 5 per cent income bonds become fixed interest securities and rank equally with the other bonds from Jan. 1, 1939. Meanwhile, the 5 per cent on these is payable only if earned. Last year, earnings covered both fixed and income interest by a comfortable margin, and there could be a substantial drop in volume without necessitating reduction of the income bond interest.

Naturally, the income bonds do not rank as high as the fixed interest bonds. However, there is the speculative feature that if all goes well for the next 2½ years, the income bonds will have paid as much and be worth as much as the fixed interest bonds.

Power Corp.

Please let me have your views on the first preferred stock of Power Corp. of Canada. Is the company paying the dividend?

Power Corp. of Canada is steadily improving its position and the value of its investment portfolio has shown a fairly substantial increase over the past year. Earnings are still somewhat low, but net income is sufficient to cover the dividend on the first preferred stock.

Bank of Commerce

Do you consider Canadian Bank of Commerce stock a sound investment?

At about 152, the yield on Bank of Commerce shares from the dividend of $8 a share is 5¼ per cent. This is a rather high yield on bank shares, and indicates the problem the banks have had in meeting current dividends. The banks have been obliged to increase their holdings of government bonds because of the lack of demand for satisfactory commercial loans. If and when loans become more popular, the bank should be in a position to increase its earnings. Meanwhile, reduction of the deposit rate to 1½ per cent should help materially to maintain present dividends. At present prices, you are buying the bank shares for considerably less than the face value of the bank's assets, including commercial loans and huge holdings of government bonds. On this ground, therefore, there is justification for purchasing bank shares.

St. Lawrence Paper

Has the outlook for St. Lawrence Paper Mills shown any improvement this year? I own some of the preferred stock and am in a position to hold if the company shows any signs of coming back. If such is not the case, then I will dispose of my holdings.

St. Lawrence Paper Mills is making headway. Last year the company broke about even and it is expected results for 1936 will be somewhat better. If the manufacturers are successful in securing a price increase for 1937 deliveries, then it is possible something will be earned on the preferred stock.

Hightower Oil

An estate which I am administering holds some preferred and common shares of Hightower Oil & Refinery Co. I am told that this company operates in Ontario and owns its own oil wells, refinery and service stations. Originally this was an investment in oil royalty certificates sold by Bonded Corporation, which recommended the transfer. I am informed that 94 per cent of the certificate holders consented to the transfer and there is no option but to make the exchange. A friend of mine has refused to make the transfer. Is he obliged to do so? Is it true that the Ontario government forced the promoters of Hightower to pay into the company an additional $300,000 of "assets? What is the value of Hightower stock?

Hightower Oil & Refining Co. does its business in Texas. You were wrongly informed that the company operates in Ontario, although it is an Ontario incorporation. It has a small refinery, some service stations and oil wells in Texas. It has not given a financial statement as yet and does not propose to do so until it has completed the liquidation of the trust certificates. It is difficult without a statement, which The Financial Post has endeavored to get, to give a real view of the company. One or two who have been privileged to see the company's statement and who have looked into the matter, claim that the company has a good chance.

We would be very surprised if your friend is obliged to agree to the transfer from trust certificates to Hightower stock. A letter to the Ontario Securities Commission would clear this point up. It is true, however, that the Ontario Securities Commission agreed to permit Hightower Oil and Refining to make the offer.

Your informant was wrong, we believe, in suggesting that the Ontario Securities Commission forced the payment of $300,000 into the assets of Hightower Oil. It did insist, however, that Bonded Trust Corp. put some $300,000 to $500,000 additional assets behind the certificates issued against oil royalties in the southern states.

Abitibi Power

What are the chances of the common shareholders of Abitibi Power and Paper Co. receiving anything when the company is reorganized?

It is likely to be a long time before details of a reorganization for Abitibi Power and Paper are worked out. As the financial statement recently issued by the receivers reveals, even the bonds will have to take a substantial cut on the basis of any revenue made during the depression. It may be that there are contingency payments during these years which might be eliminated by a reorganization and improve the company's position. As things stand, the common stock can not hope for any security which recognizes more than a mere fraction of its former value.

Dominion Tar

What is the financial set up of Dominion Tar and Chemical? Was anything ever earned or paid on the common stock of this company?

At the end of 1935 Dominion Tar and Chemical Co. had outstanding $3,478,000 of series "A" 6 per cent debentures; $1,305,000 of 6 per cent Series "B" debentures; $5,035,000 6½ per cent cumulative preferred stock; and 272,500 shares of no par value common stock. Since the present company was incorporated in 1929, earnings on the common stock have been as follows: in 1929 $2.34 a share; in 1930, $1.70; in 1931, 1 cent; none since. No dividends have ever been paid by the present company on its common stock.

Cockshutt Plow

I am considering the purchase of 200 shares of Cockshutt Plow Co. and would appreciate any information you may be able to give me with regard to its prospects. I do not have to depend upon dividends but wish to buy with a view to a long hold.

Cockshutt Plow Co. has managed to steer its way through the most difficult period of the depression in good state. While operations have not been profitable enough to permit dividends, prospects appear to be for an improvement in the future. If recovery in farm operations proceeds to the point where production of wheat and other grains is more profitable, Cockshutt Plow should do well. While early this year indications were that there would be marked improvement in the company's operations as a result of the revival in purchase of farm implements, this trend has been adversely affected by two factors. The reduction in duty on farm implements from the United States has resulted in lower prices for imported farm implements. In addition there has been the threat of an enquiry at Ottawa into farm implement prices. Both of these factors have tended to delay sales to some extent. The company has been well-managed and should get its share of any increase in farm implement purchases.

Acadia Sugar

What is the current bid and asked price on Acadia Sugar Refining Co. 6 per cent preferred stock? I think that your weekly quotation is in error. Was anything earned or paid on the stock in recent years.

The current market on Acadia Sugar preferred stock is from around $4.95 to $5.20 a share. This corresponds to the market as reported in The Financial Post. No dividends have been paid on the common stock in recent years, owing to the fact that the company has been cleaning up the arrears of dividends on the preferred stock. Earnings on the common last year amounted to 49 cents a share, as against 28 cents a share in 1934. Earnings on the common in the last five years have averaged 47 cents a share annually.

Canada Steamships

Do you think the proposed plan for Canada Steamship Lines will strengthen the position of the general mortgage bonds? Is the outlook for the company any better and will interest be paid on the general bonds this October?

Under the proposed plan of reorganization for Canada Steamship Lines, the position of the 6 per cent general mortgage bonds would be materially strengthened. This plan has not been voted upon. Outlook for the company is more satisfactory, its financial position having been strengthened through liquidation of bank loans and the building up of a working capital position.

There is little probability of the company paying interest on the general mortgage bonds this October.

Montreal Power

I hold some stock of Montreal Light, Heat and Power Consolidated, as an investment and have been advised to sell. Have there been any set-backs which would warrant me to change my opinion in regard to this stock?

Montreal Light, Heat and Power Consol. common stock is highly regarded as an investment medium. The company has not reported any particular developments in the past year, power sales showing a moderate increase, while the gas output is about the same as a year ago. It is expected that income this year will be on much the same basis as in 1935, when the dividend on the common stock was earned by a comfortable margin. The company is saving on fixed charges by refinancing bonds at reduced interest rates and this helps absorb increased taxes.

B. A. Oil

Do you consider British-American Oil a sound investment?

British-American Oil Co. showed earnings of about $1.10 a share last year, without including profits from its American operations in its own revenue. There are large possibilities for increased earnings from its oil wells in Oklahoma. The yield at present prices for the shares is less than 4 per cent, but there are prospects of comparatively stable earnings in Canada, and of large earnings from the United States developments.

Gatineau Power

What is the position of Gatineau Power's first mortgage bonds and will the company be able to continue paying interest under the new Ontario Hydro contract?

Gatineau Power Co.'s first mortgage bonds are well regarded. While the new contract with the Ontario Hydro has resulted in a substantial cut in the company's revenue, earnings are still sufficient to cover operating charges, depreciation, and interest on the funded debt. There is little doubt about the company's ability to continue paying the interest on the first mortgage bonds.

Canada Cement

Kindly let me have a brief opinion on the bonds of Canada Cement Co. How are they regarded?

Canada Cement Co. has been holding its own during the past four or five years of depression, paying its bond interest and sinking fund charges regularly. While the funded debt charges are relatively heavy, the company's outlook is promising. If there is a revival of building, highway construction and other projects which are large users of cement, the earning power of the company should advance appreciably. Meanwhile the bonds have proved satisfactory investments.

Viau Biscuit

As a subscriber to The Financial Post I would like to avail myself of your information on the preferred stock of Viau Biscuit Corp.

Viau Biscuit Corp. was able to record an improvement in its operations last year. Net profit for the period after payment of depreciation, bond interest and other charges, was $25,104, as compared with $22,712 in the previous twelve months. Earnings on the first preferred stock amounted to $2.64, as against $2.40 a share.

No dividends were paid last year, arrears of accumulative dividends on the first and second preferred stock amounting to $346,815 at the end of last January. In his annual report to the shareholders, the president intimated that a revision of the capital stock structure would likely take place in order to liquidate these arrears.

Claude Neon

I bought some of the preferred shares of Claude Neon at $96 a share and now they are selling much below that level. Can you tell me just what is happening to the company and prospects for the future?

Claude Neon General Advertising has been making some progress toward re-establishing its position, but it still has a long way to go before dividends are resumed on the preferred stock. Apparently the troubles of this company arose from the fact that they took into account revenues from contracts before such revenue was received. As you probably know, this company furnishes signs on a long-term contract basis, and revenue is spread over a period of many years. In the last two years a great deal has been done to put the company on a sounder footing. The revenue account now shows only actual earnings and consequently the income statement does not make very favorable reading as compared with that of earlier years.

Montreal Coke

One of our customers holds bonds of Montreal Coke and Manufacturing Co. and has questioned us regarding recent earnings and prospects of continued bond interest payments. In order to have some reliable information on hand before advising any course of action, we will be glad to have your comments.

Montreal Coke and Manufacturing Co. first mortgage bonds are highly rated as an investment medium. This company is controlled jointly by Montreal Light, Heat and Power Consolidated and the DeKoppers Co. of Delaware. In addition to supplying practically all the coke and gas requirements of the Montreal area, the company has important by-products which bring in substantial revenue. No financial statement is issued.

Rackets

Mulcting the Brokers

BEWARE the female charity racketeer and her "annual donation" racket.

Brokerage houses and other business firms located in financial areas of the larger Canadian cities are being mulcted of thousands of dollars yearly by enterprising, well-dressed, suave ladies who earn a comfortable income from the scheme.

A smiling reminder of "your kindness to us last year" is the usual approach, whereupon the broker or businessman consults his charity account, maintained by nearly all large business institutions, and writes another cheque for $25 to $100.

Why not? That was the amount last year and the broker usually considers himself fortunate if a larger amount has not been requested.

What the broker may not know is that as much as 35 per cent of the amount goes directly into the purse of the engaging, smiling "collector," one of whom is known to have earned enough from the scheme to maintain a limousine and uniformed chauffeur for her "business" purposes.

The whole scheme hinges on the success of the first effort. If a donation is forthcoming, the firm is "good" for another sum the next year—and so it goes. The charity is usually neither a national one nor even well known locally, but if donations have been made year after year, the victim is not likely to question the matter, assuming that enquiries were made in the first instance. Then too, there is the engaging personality of the "collector" and the businessman's desire not to offend a charitable group by refusing a gift.

* * *

Safeguards Exist

THERE is a highly effective method of combatting the racket however. Frequent and careful checking of the charity account is necessary, and once a list of bona fide charities is established cheques may be mailed directly to the treasurer at the charitable organization's official address.

Members of Better Business Bureaus in Canada have an additional safeguard. Their complete lists of annual charitable donations are sent to the nearest Better Business Bureau, checked confidentially with the records of the bureau, and returned to the member with confidential reports on the character of the charity concerned.

If the charity employs "35 per cent collectors," the Better Business Bureau mentions the fact.

The Woman Investor

An Income Reserve

A WOMAN reader of The Financial Post, in submitting a list of Canadian securities for analysis, presents the problem of combining a high grade investment portfolio with an income yield somewhat higher than she receives at present.

Her securities include Imperial Bank, Consumers Gas, Goodyear Tire preferred, Power Corp., Canada Northern Power, McColl-Frontenac, Loblaw, International Petroleum, several mines, and Ontario provincial bonds.

A substantial amount is represented by the Ontario bonds, and the question in her mind is whether or not she has too large an investment in that section of her portfolio.

She has been advised to replace power stocks with shares of International Nickel, Noranda and Consolidated Smelters, and asks The Financial Post whether such a change is wise.

As The Financial Post's subscriber remarks, the dividend income from Nickel, Noranda or Smelters is not high and she is in the position of being able only "to scrape along" on the income from her investments as they exist at present.

* * *

An Assured Income

UNDER the circumstances there seems no advantage in making such a switch but there is another medium by which her income can be increased and by which she can also obtain a sense of greater financial security.

That method is through purchase of a Canadian government annuity. The woman may, for example, lighten her holdings of Ontario bonds, some of her industrial issues and yet retain a part of the portfolio intact.

Depending on her age, she might buy an annuity yielding her up to $1,200 a year for a guaranteed period. The balance of the present holdings, readily marketable, provides the reserve liquid resources which should be maintained in the event of it being necessary to raise cash in an emergency.

International Paints Distribute New Stock

From Our Own Correspondent

MONTREAL. — Shareholders of International Paints (Canada) Ltd. have been notified by the company that supplementary letters patent have now been issued confirming the compromise between the company and the shareholders which was agreed upon at the special general meeting March 16 last.

The definitive certificates are now available and will be distributed upon surrender of the old certificates.

Under the plan for each share of old preferred stock of $30 par value, there will be distributed one and a half shares of new preferred stock of $20 par value.

For each share of Class A or Class B common stock, certificates will be distributed for the same number of shares of such class containing a statement of the rates attaching to the different classes of shares of the company as altered by the supplementary letters patent.

Montreal Power Output Increases

May Returns for Electricity Move Up, But Gas Is Still Lagging

From Our Own Correspondent

MONTREAL.—For the eleventh consecutive month, Montreal Light, Heat and Power Consolidated, reports increased electric output. Power production in May totalled 82.9 million kw.h., an increase of 6.26 per cent over a year ago.

For the first 5 months of 1936 electric output totalled 453.7 million kw.h. as against 424.7 million kw.h. in the same period of 1935.

These figures do not include secondary or export power.

Gas Still Drags

The company's output of gas continues to approximate that of 1935. During May the output was 472.6 million cubic feet compared with 474.8 million cubic feet in May last year.

Gas production for the first five months totalled 2,202 million cubic feet, as against 2,206 million cubic feet last year.

Saint John Handles Larger Tonnage in May

From Our Own Correspondent

MONTREAL. — Cargo tonnage handled through the port of Saint John during May totalled 73,690, as compared with 65,616 for the same month last year. Exports during the past month were about 5,000 tons less than a year ago, but imports increased by 15,000 tons.

For the first five months of the current year, imports totalled 326,868 tons and exports 690,102 tons, a total of 1,016,970 tons. For the same period in 1935, imports were 276,389, exports 557,069, a total of 833,478 tons.

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NORANDA
Our analysis of Noranda Mines, Limited, issued periodically since 1926, has been revised to include recent information on the Company. Copies available on request.
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63

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Debunks Fear Of Inflation In Insurance

Economist Says Collapse of Bugaboo Biggest Event of 1936

CHIDES ECONOMISTS

Few subjects get more attention these days in life insurance circles than inflation.

Policyholders quiz their agents on what a money scare would mean to their existing policies. Lukewarm prospects use the argument as a reason why they should not purchase more life coverage at this time.

Now comes Dr. Lionel P. Edie who ranks as one of the top-flight economists and investment counsels on this continent to say there is no real basis for the inflation scare and that wild inflation on this continent is too unlikely to occur to justify departure from customary conservative practices.

This was the gist of his talk recently to a group of life company managers in New York and as reported by Eastern Underwriter.

False Conclusions Dangerous

"I would not deny that there are dangers in the present financial set-up of the country. There are. But the biggest danger is the misleading conclusions drawn from fear of something that is not likely to happen.

"Widows have been told to dump their good bonds out of the window and buy speculative stocks—for fear of inflation.

"Men have been told to drop the protection of their families because insurance would pay in worthless dollars. But that 'worthless dollar' doctrine has never been used to drop all fire insurance. It is a vicious doctrine and has done untold damage.

"As a nation we have tried to educate people to thrift, but inflation inferences make thrift a joke.

Collapse of Bugaboo

"The biggest event of 1936 is that the inflation bugaboo has begun to collapse. It is being debunked by some of those who were among the loudest to predict its coming. A banker says in a recent study that there will be no inflation for 'another two or three years.'

"I believe grave criticism is warranted of the job done by most economists on this subject. They prophesied that wild inflation was inevitable. So far, they are wrong. Who can see three years ahead? Who in 1929 could have told what was to happen in 1932?

"Never before has a recovery phase included a price index so stable. We have been afraid of inflation—what actually happened last year was a slight deflation.

Be Conservative

"Inflation is so uncertain that no one is justified in taking a step away from customary conservative habits.

"It does no good to argue with an inflation believer. You can talk all night but he will still believe the same at the end, and all that will have happened is that he will have found your conversation boresome.

"But life insurance is a flexible medium through which this belief can be met. Your product meets his problems whether or not inflation occurs. A bond can't do that. Only a lower grade bond is good during inflation. But life insurance doesn't have to be inferior in quality to meet that condition.

A Hedge for Inflationists

"Why hasn't the life insurance fraternity been more alert to take advantage of the features of the contract? Take the theory of 'Buy with good money—get paid in worthless.'

"You have a five year term contract convertible retroactively to any policy issued by your companies as of today. Suppose the worst—suppose the dollar does go to five cents or two cents. You can then convert, say to a 10 year endowment, paying all back premiums and discounting future premiums with these depreciated dollars. By the time the policy matures we may be back in a dear money market. Thus reversing the theory and 'buying with worthless money, getting paid in good.' In that way you can have your cake and eat it too."

Five Branch Banks Closed During April

A net decline of 3 was recorded in the number of branches of Canadian chartered banks as at the end of April. The total now stands at 3,545, compared with 3,548 at the end of March.

During the month two new branches were opened, one by the Provinciale at St. Simon de Drummond and the other by the Canadienne Nationale at Valcourt. Offices closed down comprised those of the Commerce at Iberville and Valcourt, those of the Montreal at Chapeau and Port Hammond, and the Nationale branch at St. Apolline de Patton. With the exception of the new Valcourt office of the Nationale and the Chapeau office of the Montreal, all offices were sub-branches.

MONTREAL HEAD

B. W. Woodburn, of the Imperial Life, who has been elected chairman of the Montreal chapter of the Chartered Life Underwriters Institute of Canada.

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

An insurance agent told me that adjustments for fire losses were handled by a board and that the individual company did not really have anything to do with the amount to be paid. Is this correct?

In Canada there is no central board or bureau which handles adjustments of fire losses. The insurances company is entirely on its own and takes the initiative in settlements. Most fire companies have a relatively small adjusting staff, and in consequence, many farm out adjustment of larger losses to the independent adjusting firms. In any event, outside adjusters are employed when a number of companies are concerned in a loss, even if a staff of salaried adjusters is maintained by the companies.

Organizations such as those mentioned exist in the United States. An adjusting bureau is set up and paid officials of the bureau adjust the losses affecting the member companies. At present, however, there is no similar set-up in this country.

Dominion Life

Could you give me some information regarding the Dominion Life of Waterloo. I am thinking of taking a policy with them?

Dominion Life is one of the leading life insurance companies in Canada and is a reliable, well-managed institution.

On the basis of total insurance in force at the end of 1935, the company ranked eleventh among Canadian life insurance institutions. Total assets at that date were something over $31 millions, the bulk of which represents reserves held against the company's policy liabilities.

The company is under the supervision of the Federal Insurance Department, and has been doing business in Canada since 1889.

Canadians Participate in Medical Discussion

Canadians included in the annual meeting of the medical section of American Life convention held June 11 to 13 were Dr. J. Keith Gordon, assistant medical officer, Sun Life of Canada; Dr. John M. Livingston, medical director, Mutual Life of Canada.

Dr. S. J. Streight, medical director, Canada Life, was chairman of the meeting.

Insurance Inklings

LYMAN T. CHAPMAN has been appointed special representative for North American Life at Winnipeg. He was formerly editor of Nor'-West Farmer.

J. BOURKE McDONNELL has been appointed manager of the newly formed London branch of the insurance adjusting firm of Sanborn and Ormerod, Ltd. of Windsor. JAMES F. COMISKEY is assistant manager.

United States
Fidelity & Guaranty
Company
TORONTO

'Nalaco' Plans Rate Increase After July 1st

Plan Formulated Last Year Soon To Go Into Effect

WARN PROSPECTS

Prospective clients of North American Life have been subject to a clever sales attack by enterprising agents in the last few days.

The sales message is a printed telegraph blank containing the announcement of a pending rate increase sent to company managers recently by E. J. Harvey, superintendent of agencies.

The telegram reads as follows:

"Official announcement new rate will go into effect on July 1 imminent stop Business existing rates may be written throughout field entire month June stop Where outstanding business cannot be closed before June 30 suggest outstanding briefs be taken up so that new rates will not conflict with existing propositions."

Planned Since 1935

Details of the new rate change are substantially the same as those recorded in The Financial Post of last August. The plan was formulated last year and announced to agency conventions held in that month. No definite date for the change was scheduled, however, although it was expected at that time that it would be put into force before the end of the year. Various factors delayed the decision, but rate books are now being printed and it is expected will be available to the company's agents shortly after the middle of the month.

Basis of the change which will affect practically the entire range of policies is the decision of the company last year to increase its policy reserves to a 3 per cent basis in place of the 3½ per cent basis then used for the bulk of the company's business.

Two Plans Replaced

For the past few years the company has sold two types of policies—one known as "Nalaco 50," a low-priced policy on which the bulk of the company's business has been sold in recent years. It is so named because it was introduced at the company's 50th anniversary. The other plan carried a higher initial premium, varying from $3 to $7 per thousand above the Nalaco 50 rate.

The new rates to be introduced will be termed "Nalaco 55" to celebrate the fact that this year the company passes its 55th anniversary. This new contract will eliminate the two types of participating policy formerly sold. Thus in future there will be only one participating contract available at a premium rate slightly higher than charged for the old Nalaco 50 plan.

Five to Nine Per Cent

For whole life policies the increase over the Nalaco 50 rate will be about 5 per cent. For 20-paid policies the increases will be as high as 7 per cent in earlier ages, tapering off to 3 per cent at age 55. On a 20-year endowment policy, the increase will be very slight as between the old and the new series.

The new policies will also carry higher cash surrender values at most ages. For whole life policies these values will be higher than those shown in either the Nalaco 50 series or in the old high initial premium policy. For limited payment life policies the rates will be midway between the old and new.

The company also plans to issue a more complete set of non-participating rates than formerly.

No. 1. Manufacturer

Canadian Manufacturers' Association Select B. W. Coghlin for Highest Post

By JOHN E. LANGDON

In Bernard William Palin Coghlin, 62-year-old spring and track equipment manufacturer of Montreal, members of the Canadian Manufacturers' Association have selected a president who brings to the position years of experience in running his own business and one firmly of the belief that manufacturers should be organized for the furtherance of their mutual interests.

Being president of the C. M. A. is no sinecure. The position is one of importance and the holder has long been groomed for the responsibility that goes with the post. Usually he is a member of many years standing; has served on committees; acted as chairman of a division; in fact, one who has gone through the mill so that when the time comes he is prepared and equipped to hold down the position of key-man in one of the Dominion's largest and most powerful associations.

Such a man is Bernard Coghlin. Though the representative of Canadian manufacturers, he is not the type generally associated with "Big Business." Quiet and rather reserved, he is withal friendly to all those with whom he comes in contact. His manner denotes sureness of his own ability to carry through a task, but there is none of the pomposity ofttimes associated with men whose success has found public recognition. He is the type of "sound" business man who carries on the best traditions of business.

Firm Founded by Father

In speaking to The Financial Post of how the business of B. J. Coghlin Co. Ltd. came to be established and his own connection with it, Mr. Coghlin said:

"My father came out from England about the middle of last century as the representative of a number of English houses in the iron and steel trade. Shortly after, in 1869, he started manufacturing springs.

"I left school at an early age to enter the business. After learning the office routine, I tried my hand at selling. However I did not care for this end of the business and turned my attention to manufacturing."

In 1905 he became a partner. After the death of his father he reorganized the firm in 1910 under a Dominion charter, being elected president and general manager, a position he still holds.

Believes in Co-operation

His interest in associations or organizations having to do with matters common to his own business has come about logically. "Organized labor has its place," he says. "Farmers and others should organize for their own welfare just as the manufacturers have done.

"Industry is of importance to this country," he went on to say, "and through the C. M. A. and its committees, the manufacturers have been able to do much for the good of the Dominion. Sometimes we have been criticized for our policies or for profits made. However these critics never stop to think of what has been accomplished or the losses we have suffered. For example, back in 1928 I spent a large sum on endeavoring to resuscitate a plant in Ontario. Probably I was too optimistic at the time, for I do not expect ever to get a cent out of that venture."

Help Purvis Commission

The talk swung around to the employment situation and what could be done by the manufacturers to help the newly formed Purvis Commission.

B. W. P. COGHLIN

"There is a good example of the work that can be done by an organized association," said Mr. Coghlin. "Not long ago the C. M. A. circularized its members asking for suggestions as to how the manufacturing industry could help in putting men back to work. We received many valuable suggestions which will be put before the Commission as soon as the material has been tabulated.

"The manufacturers by themselves cannot solve the unemployment problem. There are some 350,000 men out of work in this country and of that number only about 80,000 can be absorbed in the manufacturing industries. Naturally we are anxious to see these men put back to work and the manufacturers, through the C. M. A., will co-operate to the full with the Purvis Commission."

Too Much Politics

Politics are frowned upon in the C. M. A. It is a non-political organization, even though at times it has been accused of being strongly Conservative in tone.

Said Mr. Coghlin in discussing this rather widely held public conception, "We owe no allegiance to any political party. Personally I think it is a mistake to be identified with any group. What we want in this country is less sectional and political differences. We need the best government we can get and that can be had only by being independent in politics."

Like many others the new president of the C. M. A. favors a greater concentration of government. The one federal, nine provincial and 4,000 municipal governments are regarded as being too many for Canada and Mr. Coghlin believes a consolidation of governmental bodies would be distinctly to the country's advantage.

Time for Other Activities

Though a great deal of Mr. Coghlin's efforts in recent years have been devoted to affairs of the C. M. A., he still finds time to take a keen interest in other organizations which are associated with his own business. He is a governor of the Montreal Technical Institute and a director of the Montreal Technical School. He has been an active member of the Montreal Board of Trade for many years, serving on the educational and transportation committees. In 1931-32 he was chairman of the Montreal Hardware Association and more recently president of the Produced in Canada Association.

When not engaged in association work or running his own business, he collects pictures and spends the summer months at Knowlton in the Eastern Townships of Quebec.

Canadian General Staff Changes

W. P. Fess General Manager Replacing Paul Horst

Important changes in head office organization of the Canadian General Insurance Co. and the Toronto Insurance Co. were made at the recent directors' meeting.

In order to more fully co-ordinate the direction of the two companies, W. P. Fess resigned as president of the Canadian General and is succeeded by G. Larratt Smith, who has been president of the Toronto General for many years. Mr. Fess, who has been managing director of both companies, is now general manager and vice-president.

P. H. Horst Resigns

Paul H. Horst, one of the best known figures in Canadian insurance and known particularly for his work in promoting uniform legislation, has resigned as vice-president and general manager of the two companies. T. G. Breck, formerly secretary of the company, has also resigned and is being succeeded by C. W. Sykes, who will combine the offices of secretary and treasurer.

W. F. Spry, Ontario manager since 1929, has been appointed assistant general manager, and Norman G. Cummings will take over full charge of production and supervision of casualty, surety and automobile business in Ontario. Assistant Ontario manager will be D. L. Laidlaw, inspector since the inception of the Canadian General, who now assumes supervision of all classes of business written by the companies.

J. C. Ratchford will continue as casualty manager and E. C. G. Johnson as fire manager of both companies. There will be no change in management of the various branches.

Hydro Saves $844,000 Through Refunding

Ontario Hydro-Electric System has reduced its annual interest charges by $844,000 as a result of three refunding loans totalling $35 millions undertaken since the beginning of 1935.

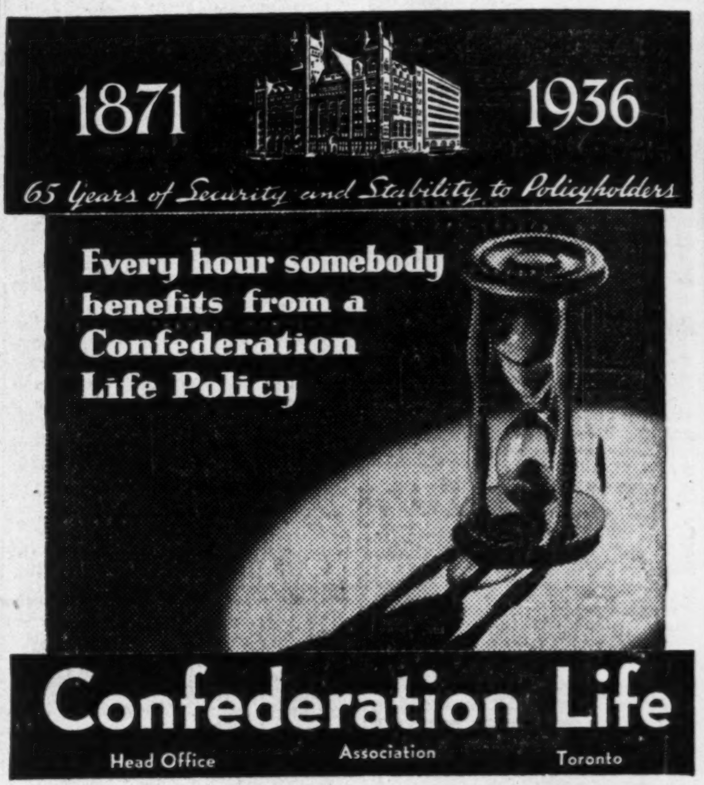
An issue of 3½ per cent 8-year bonds, dated January 1, 1936, to the amount of $10 millions, was used to retire Dominion Power and Transmission 5 per cent bonds. The annual interest saving was $175,000.

An issue of 2½ per cent 5-year bonds, dated March 1, 1936, to the amount of $15 millions, was used to repay advances from the provincial government. The annual saving was $281,000.

An issue of 2½ per cent 8-year bonds, dated June 15, 1936, to the amount of $10 millions, will be used also to repay provincial borrowings. The annual saving works out at $288,000.

THERE'S A SUN LIFE POLICY FOR EVERYONE
THE ENDOWMENT ASSURANCE PLAN
PROVIDES:
● Sum Assured in Cash at Maturity in Event of Survival.
● Sum Assured to Beneficiaries in Event of Death.
● Participation in Profits.
THE POLICY FOR THE MAN WHO WILL DIE TOO SOON —OR LIVE TOO LONG.
SUN LIFE OF CANADA
1865 1936

The Independent Order of Foresters
Monthly Income During Disability
Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.
In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.
The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.
FRANK E. HAND, Supreme Chief Ranger, HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.



1871 1936
65 Years of Security and Stability to Policyholders
Every hour somebody benefits from a Confederation Life Policy
Confederation Life
Head Office Association Toronto

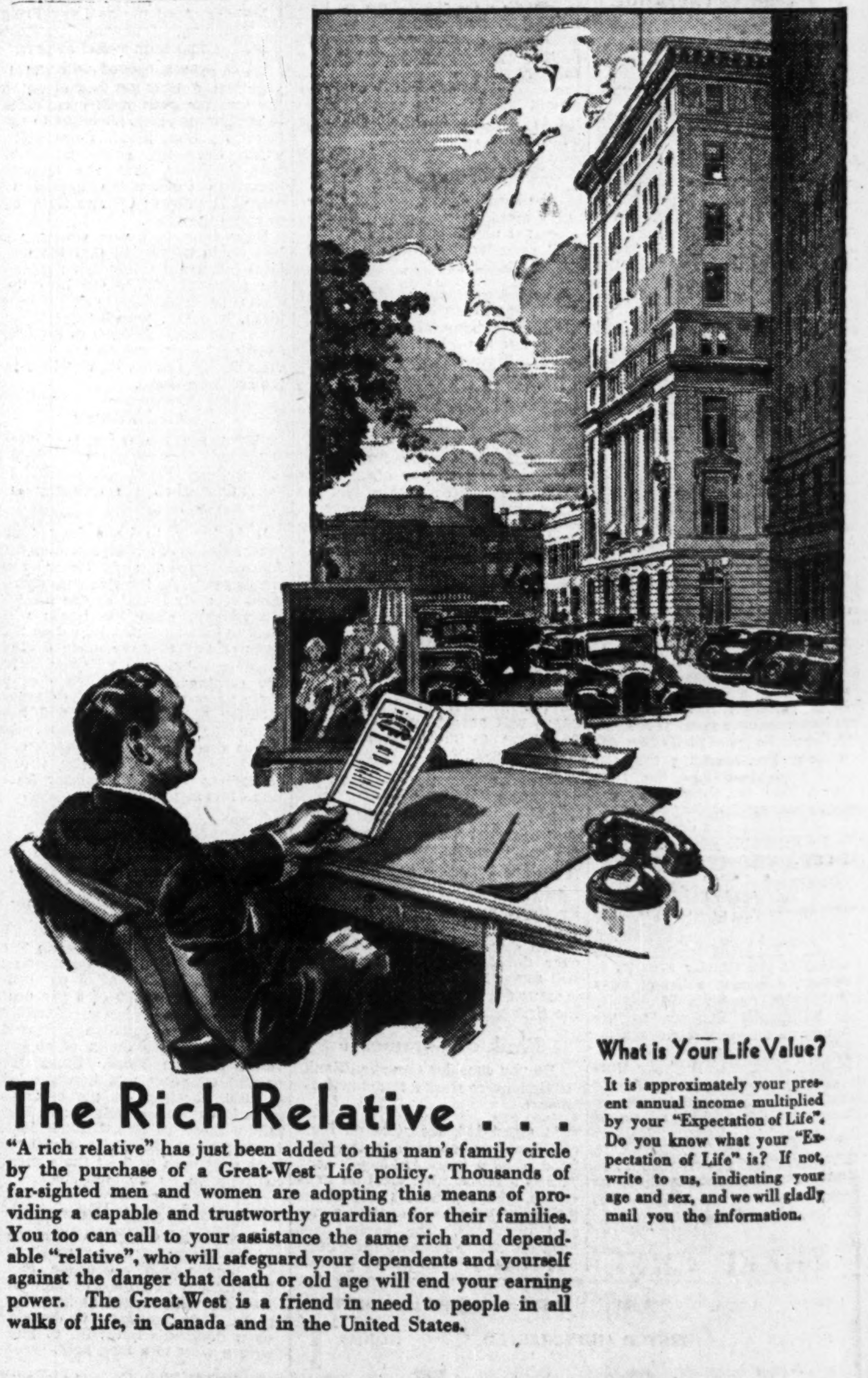
"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS' AND DENTISTS' LIABILITY PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Moncton, N.B.

OVER $1,000,000 DIVIDENDS PAID TO POLICYHOLDERS IN 1935...
Fire Insurance that Pays Dividends
BRANCHES: Toronto Hamilton Ottawa Vancouver Kelowna Victoria Edmonton Calgary Saskatoon Winnipeg Montreal Quebec City St. John Halifax
Save up to 30 per cent. on your Fire Insurance by participating in these annual dividends. Full information will be gladly supplied by our nearest branch office.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000.

EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD 1807
OF LONDON, ENGLAND
RESOURCES OF THE COMPANY
as at
31st DECEMBER 1935

Paid-up Capital	$14,539,853.22
General Reserve Fund	6,569,910.00
Exchange Reserve Fund	364,995.00
Provision For Pensions	486,660.00
Fire Insurance Fund	2,059,715.45
Accident, Employers' Liability Motor & General Insurance Funds	4,814,434.91
Marine Insurance Fund	1,653,062.36
Profit & Loss A/c	1,252,005.85
	$31,740,636.79
Life Department Assets	77,286,800.66
	$109,027,437.45
Uncalled Capital	10,008,698.23
	$119,036,135.68

FIRE · CASUALTY · MARINE
Head Office for Canada: 217 Bay Street, Toronto
J. H. RIDDEL
Manager for Canada
V. G. CREBER, Assistant Manager
S. FAIRLEY, Secretary
WINNIPEG:
A. C. RUBY, Branch Manager
UNION TRUST BLDG.
VANCOUVER:
M. NEVILL, Branch Manager
602 HASTINGS ST. W.



The Rich Relative . . .
"A rich relative" has just been added to this man's family circle by the purchase of a Great-West Life policy. Thousands of far-sighted men and women are adopting this means of providing a capable and trustworthy guardian for their families. You too can call to your assistance the same rich and dependable "relative", who will safeguard your dependents and yourself against the danger that death or old age will end your earning power. The Great-West is a friend in need to people in all walks of life, in Canada and in the United States.
What is Your Life Value?
It is approximately your present annual income multiplied by your "Expectation of Life". Do you know what your "Expectation of Life" is? If not, write to us, indicating your age and sex, and we will gladly mail you the information.
THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE WINNIPEG
See a Great-West Man

DIVIDEND NOTICES

A. J. Freiman, Limited

DIVIDEND NOTICE

A dividend of one and one-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 2nd day of July, 1936, to shareholders of record June 15th, 1936.

By resolution of the Directors.

Dated at Ottawa this 8th day of June, A.D. 1936.

S. R. OUELLETTE,
Secretary-Treasurer.

MACASSA MINES

LIMITED
(No Personal Liability)
DIVIDEND NO. 6.

NOTICE IS HEREBY GIVEN that a dividend of Five Cents per share, on the issued capital stock of the Company will be paid on July 2nd, 1936, to shareholders of record June 15th, 1936.

The Canadian five per cent. tax will be deducted from dividends payable to non-residents of Canada.

By order of the Board.
L. SOLIAGUE,
Secretary.

Toronto, June 9th, 1936.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND NUMBER THIRTY-FIVE

The Board of Directors has declared a cash dividend of seventy-five cents (.75) per share, payable on all of the outstanding shares of the Company on July 11th, 1936, to shareholders of record at the close of business June 20th, 1936.

D. B. GREIG,
Secretary.

Windsor, Ont.,
June 9, 1936.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th June, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of July, 1936, to shareholders of record of the 20th June, 1936.

By Order of the Board.
DUDLEY DAWSON,
General Manager.

Toronto, 14th May, 1936.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of EIGHT PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

THURSDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1936.

By order of the Board.
WALTER F. WATKINS,
Secretary.

Toronto, May 20th, 1936.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1936.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1936.

The above Dividends are payable on Thursday, the 2nd day of July, 1936, to Shareholders of record at the close of business Monday, the 15th day of June, 1936.

By Order of the Board,
MERVYN OFFER,
Secretary.

Montreal, 26th May, 1936.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 34

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, being at the rate of 6 per cent. per annum has been declared on the 6 Per Cent. Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending June 30, 1936, payable July 15, 1936, to Shareholders of record at the close of business June 30, 1936.

By Order of the Board,
FRED HUNT,
Secretary.

May 27, 1936.

NOTICE OF DIVIDEND

SHEEP CREEK GOLD MINES LIMITED

(Non-Personal Liability)

Notice is hereby given that a Quarterly Dividend of two cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of July, 1936, to shareholders of record at the close of business on the 30th day of June, 1936.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited, 614 Pender Street W., Vancouver, B.C., on or before 30th June next.

By Order of the Board.
JAMES ANDERSON,
Secretary.

Vancouver, B.C., June 1st, 1936.

Week in Wheat

Wheat Reaction Small In View of Good Rains

Better Weather Appears to Have Forestalled Rise in the Making — Unfavorable Factors Outweighed by Dwindling World Surplus

From Our Own Correspondent

WINNIPEG.—The wheat market reacted to lower levels as a result of rains in the spring wheat territory, but the reaction was comparatively slight in view of the present promising conditions in Western Canada.

From the market standpoint the rains did not so much result in lower prices as they prevented a sharp rise which seemed to be almost inevitably in the making had earlier unfavorable weather continued.

Stabilization of lake freights at five cents a bushel from the head of the lakes to Montreal, if this seems likely to hold, is expected to stimulate movement of grain down the lakes. Uncertainty as to freight developments has been one factor in slowing down such shipments.

Still Fear U. S. Surplus

POSSIBLE size of the United States wheat crop continues to be a major influence in all big markets. Much depends on the 50 million bushels or so above actual home requirements which the U. S. may or may not produce. Out-turn of the spring wheat states will be the determining factor.

Chicago has not yet definitely accepted the idea that there will not be some slight surplus. On the other hand it seems to be generally believed that there will be enough of all types of wheat to prevent the necessity of continued imports from Canada during another season. Recently an official statement was issued by Washington which strongly deprecated the possibility of any exportable surplus.

Significance to Canada, of course, lies in the fact that a fair size surplus in United States would put that country on an export basis and send domestic prices tumbling, possibly to the full extent of the present 42 cents per bushel tariff.

* * *

Spring Wheat Prospects

ALTHOUGH drought has been relieved in Minnesota and over a considerable part of the Dakotas, general belief is that much of the wheat crop suffered too great a set back during a period of intense heat and dryness to make any satisfactory recovery. There is more complaint about weak crops due to the light weight seed which was employed on both sides of the boundary, and also as to weeds having got ahead of the crop.

Some early winter wheat from the far south-west is already reaching southern markets, and the movement will grow rapidly until it is in full swing in July. But the actual size of the winter wheat crop is still a matter of doubt. Most opinion, however, puts it closer to 500 million bushels than the 463 millions which was officially given as prospective out-turn as at May 1.

A new factor in the United States situation is being introduced by the drought which is affecting garden and root crops in a large area of southeastern states. The potato crop threatens to be small, and that may mean considerable increase in the domestic need for wheat, while lack of pasture and fodder crops in some areas may increase to a marked extent the need for feed grains.

* * *

Old Crops Cleaned Out

CLOSE of the present crop year seems likely to see an unusually small quantity of wheat in store on western farms. Observing the fact that the current market price of wheat is below the minimum fixed and still being paid by the Wheat Board, most farmers realize that the present Board price is guaranteed only until July 31. Similarly, practically no wheat is being carried by farmers on their own account in elevators, either country or terminal. The end of the crop year, therefore, will probably see less wheat owned by farmers than has been the case for some time.

* * *

Lake Rates Fixed

FOR the time being at least Great Lakes grain rates seem to have been definitely stabilized at 5 cents per bushel. An announcement to this effect has been made by J. P. Doherty, head of the Lake Freight Association, following protracted negotiations with vessel owners.

The season opened with rates as high as 6 cents per bushel but following competition this was rapidly brought down to 5 cents. Recently in some cases as low as 4 cents has prevailed.

DIVIDEND NOTICES

BUILDING PRODUCTS LTD.

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of twenty-five cents (25c.) per share has been declared on the outstanding common shares of the Company for the quarter ending June 30th, 1936, payable July 2nd, 1936, to shareholders of record June 11th, 1936.

By Order of the Board,
R. C. CROOKER,
Secretary-Treasurer.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 36

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum, has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending June 30th, 1936, payable July 15th, 1936, to shareholders of record at the close of business June 30th, 1936.

By order of the Board,
L. C. HASKELL, Secretary.

Montreal, May 22nd, 1936.

BRITISH AMERICAN OIL COMPANY B-A LIMITED

Notice is hereby given that the regular dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the second quarter ending June 30th, 1936. The above dividend is payable in Canadian funds, July 2nd, 1936; to shareholders of record at the close of business on the 16th day of June, 1936.

Share Warrant Holders will present Coupons Serial No. 25 to the Royal Bank of Canada, Toronto, Ontario, or to the Royal Bank of Canada, Montreal, Quebec, on or after July 2nd, 1936.

H. H. BRONSDON,
Secretary.

Dated at Toronto, June 6th, 1936.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 46

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending June 30th, 1936, payable July 15th, 1936, to shareholders of record at the close of business on June 30th, 1936.

By order of the Board.
L. C. HASKELL, Secretary.

Montreal, May 26th, 1936.

DIVIDEND NOTICES

Canadian Wirebound Boxes Limited

Dividend Notice

The Directors of this Company have declared a dividend of thirty-seven and one-half cents (37½c.) per share on account of arrears on the class "A" shares of the Company, payable July 1st, 1936, to shareholders of record June 15th, 1936.

By Order of the Board,
J. P. BERNEY,
Secretary.

Toronto, June 8, 1936.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 32

NOTICE is hereby given that a dividend of Forty cents (40c.) per Share on the Class "A" Shares has been declared for the three months ending June 30th, 1936, payable on July 15th, 1936 (less 5% Dominion of Canada tax in the case of non-residents of Canada), to shareholders as of record at the close of business on June 30th, 1936. Cheques will be mailed by the Montreal Trust Company, Montreal.

By Order of the Board,
ERNEST ROGERS,
Secretary.

Vancouver, B.C.
June 6th, 1936.

Western Grocers Limited

NOTICE OF DIVIDENDS

Notice is hereby given that the following Dividends have been declared:

On the Preference Shares, 1¾% for the current quarter, payable July 15th, 1936, to shareholders of record June 20th, 1936.

On the Common Shares, 50c per share, payable July 15th, 1936, to shareholders of record June 20th, 1936.

By order of the Board.
W. P. RILEY,
President.

Winnipeg, Man., June 5th, 1936.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons Limited (Walkerville)
Gooderham & Worts Limited (Toronto)
Hiram Walker & Sons Grain Corporation Limited
Hiram Walker & Sons Distilleries Inc.
Hiram Walker & Sons Inc. (Peoria)
Hiram Walker & Sons (Western) Inc.
Hiram Walker Incorporated
Hiram Walker-G. & W. Sales Corporation
Jas. Barclay & Co. Limited
Jas. & Geo. Stodart Limited (Glasgow)
The Stirling Bonding Company Limited (Glasgow)
Distillers, Bottlers in Bond, Distributors, Etc.

DIVIDEND NO. 36

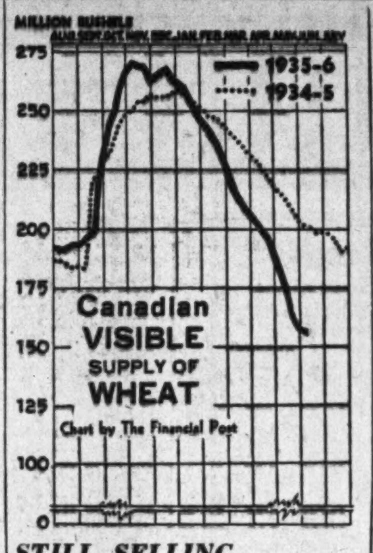
A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Monday, June 15, 1936, to shareholders of record at the close of business on May 25.

DIVIDEND NO. 37

A quarterly dividend of 50¢ a share has been declared on the outstanding no par value Common Stock of this company, payable Monday, June 15, 1936, to shareholders of record at the close of business on May 25.

By Order of the Board.
FLETCHER RUARK,
Secretary.

Walkerville, Canada
May 15, 1936.



STILL SELLING

A drop of over 5 million bushels of wheat last week brought total carry-over in merchantable positions down to 156 million bushels. This was the lowest at this season in over four years. That such a decline is not merely a bookkeeping entry is verified by the fact that export clearances during the week were even larger. The latter amounted to over 6.5 million bushels or more than the decline in the visible. The difference is probably explained by the fact that there is still some country wheat, over a million bushels last week, coming into the visible channel. It is believed, however, that but a very small amount of grain still remains in farmers' hands. The need for ready cash at this scarce season and the fear that the present relatively high government minimum price of 87½ cents may not last after the expiry of the present crop year on July 31 next, are combining to clean out farm bins. Export clearances are running very much higher than a year ago.

Details in bushels are as follows:

	Week of June 5	Week Previous	Last Year
Canadian Visible	156,467,000	161,953,000	200,334,000
Export Clearances*	6,565,799	5,714,731	1,747,705

* Plus U. S. imports.

Japanese Boycott May Affect Canada

Japanese tariff retaliation against Australian wheat and wool may materially dislocate Canadian trade. As a result there may be more competition for Canada's small export of wool to Great Britain but on the other hand this country may benefit by greater shipment of wheat to Japan, via Vancouver. Against this, of course, would be greater shipments of soft Australian wheat in Britain.

It is generally expected, however, that the Argentine would be in most favorable position to benefit. That country normally has plenty of both wool and soft white wheat, similar to Australian. Japan, it is reported, proposes to boycott Australian wheat entirely and reduce wool import from that country by 50 per cent.

Observers expect still further dislocation in former Japanese trade as a result of the recent conquest of Manchuria. The new Japan-Manchukuo economic bloc is in a position to supply much of the raw materials formerly imported from other countries.

Darwin Drifts on Vein For 40 ft. on 6th Level

Darwin is continuing work on the new vein encountered on the 6th level, and, according to H. R. Bain & Co., underwriters, has drifted on the vein 40 ft., of which 36 ft. shows high grade. Officials also state that 75 ft. north of the shaft on this horizon, another vein has been encountered showing widths of 18 inches with free gold near the hanging-wall. Drifting is under way on the 7th level both north and south of the shaft.

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd July, 1936,

to Shareholders of record on the books of the Company at the close of business on 13th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow, are payable 2nd July, 1936, to Shareholders of record 15th June, 1936:

PREFERRED STOCK: 1⅝%, (being at the rate of 6½% per annum).

COMMON STOCK: 1½%, (being at the rate of 6% per annum).

The transfer books will not be closed.

By Order of the Board.
F. W. FEE,
Secretary.

Ottawa, 8th June, 1936.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"B" Preferred

A half-yearly dividend at the rate of 6% per annum on the Class "B" Preferred Stock of this Corporation for the half-year ending June 30th, 1936, has been declared; payable July 2nd, 1936, to shareholders on record at the close of business, June 12th, 1936.

Common and Ordinary Shares

The Board of Directors has declared a half-yearly dividend of 50c. per share on the Common and Ordinary stock of this Corporation for the half-year ending June 30th, 1936, payable July 2nd, 1936 to shareholders on record at the close of business June 12th, 1936.

Share Warrants

Share Warrant holders will present coupons, serial number 33, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after July 2nd, 1936, where payment will be made at par.

By Order of the Board,
JAMES D. GOOD,
Secretary-Treasurer.

London, Ontario, June 3rd, 1936.

Dr. Tory Named As Coal Prober

Dr. H. M. Tory, former president of the National Research Council and one-time head of the University of Alberta, has been appointed by the Dominion Government as Royal Commissioner to conduct an investigation into matters relating to importation and distribution of anthracite coal.

Intention to institute such an enquiry was announced in the speech from the Throne at the opening of Parliament. The Government has received complaints regarding the alleged monopolistic control in the anthracite coal trade in Quebec.

Grain Surplus Always Myth Says Swanson

Never More Than Temporary Over-production in 1928

"There never was any world over-production of wheat, nor any chance of world over-production of wheat," Dr. W. W. Swanson of the University of Saskatchewan, stated in Montreal the other day. What really happened, according to this economist was a "temporary condition of surplus produced by unusual crop conditions in 1928.

"This condition," he continued, "was exaggerated in the public mind by the crash of speculative markets. The most serious exaggeration, however, was that which resulted from the plunge into wheat of innumerable publicists and statisticians who were unfamiliar with the complexities of the subject. As a result wheat has been front-page news, and usually alarmist news, for seven years, and it is impossible for this country to sell its wheat freely and at fair prices until this alarm dies down.

Surplus Only Temporary

"The evidence against general and lasting world over-production is overwhelming. The Food Research Institute of Stanford University—an institution well known for its bearish attitude on wheat—now insists that the world carry-over at August 1, 1936, will be no greater than it was prior to 1927. That is clear evidence of the correctness of my analysis. There was a temporary surplus which has disappeared. G. J. S. Broomhall, the most respected authority in this field, has pointed out that the total world production of the major grain crops in recent years is no greater than it was in the years preceding the Great War, although the population of the world has increased by at least 200 millions in the elapsed time."

Acreage Increases

Both Dr. Swanson and Mr. Broomhall apparently figure that the doubling of Canada's wheat acreage since pre-war days, the opening of vast new wheat areas in North Africa and the frantic efforts of nearly all European countries to growing more of the same grain have been offset by declines in wheat acreages in other parts of the world. Such declines, however, are not specified. His statement also seems to ignore the trend toward sharply lower bread consumption in such countries as United States, Canada and Great Britain. Dr. Swanson continues:

Lowest Since 1927

"The League of Nations World Economic Survey for 1934-35, a most respectable publication, states plainly that the amount of food and agricultural raw materials produced in 1934 was less than any year since 1927, though population has increased meanwhile by perhaps 8 to 10 per cent. It is quite unnecessary for Canadians to be alarmed over the presence in Canada of a quantity of unsold wheat. Wheat is still the best of all property. The temporary world surplus has accumulated in North America because here only is the storage capacity available to keep it. This is not a disadvantage to Canada, except as far as popular misconceptions may draw a wrong inference from our possession of a stock of wheat."

C.M.A. Likes Work Plan For Relief

Quebec Meeting Brings Out Discussion on Common Problems

TAX TREND WORRYING

BY STAFF EDITOR

QUEBEC.—This was a fitting site for the 65th annual convention of the Canadian Manufacturers' Association!

Behind the far-famed Citadel, symbolic of strength. In front a city with a background of 300 years of conservativeness (spelled with a small "c"). To the right the mighty St. Lawrence River, trade artery of the Dominion. To the left, but out of sight, a new mining area into which is flowing millions of capital.

From Charlottetown to Vancouver came over 100 manufacturers. They represented a cross section of Canadian industrial life—boots and shoes, pulp and paper, rubber, iron and steel, textiles, paints and varnishes, automobiles and a host of other activities. They came, not so much to initiate new policies, but to hear reports on the year's activities of their powerful and highly-efficient Association, renew acquaintances, play a little golf and to elect officers for the coming year.

Taxation and Politics

The subject that appealed most to the delegates was taxation. Unbalanced budgets of governmental bodies with consequent increasing taxes, both on business and the individual, has made it more and more difficult to carry on. The reports and discussion all stressed the seriousness of the mounting tax bill, but like other co-operative bodies, the C.M.A. has not been able to advance any solution to this pressing problem.

Politics or anything savoring of politics is taboo in the Association, and as taxes cannot be disassociated with politics, this problem was left to the individual members.

Co-operate With Purvis

Labor and re-employment have been carefully studied. The necessity of reducing the number of unemployed is nowhere more appreciated than by members of the C.M.A. Recently the Association sent out a questionnaire to its members, asking for suggestions as to what should be done to bring about an increase in employment and what they, as individuals, could do.

The response was outstanding. However, sufficient time has not elapsed to allow of collocation of the material gathered, but a preliminary survey of the returns indicate members are willing to do everything in their power to improve the lot of the unemployed worker.

The Association intends to make this material available to the Purvis Commission and to co-operate with that body in fostering any plan designed to bring about an increase in employment.

Work For Relief

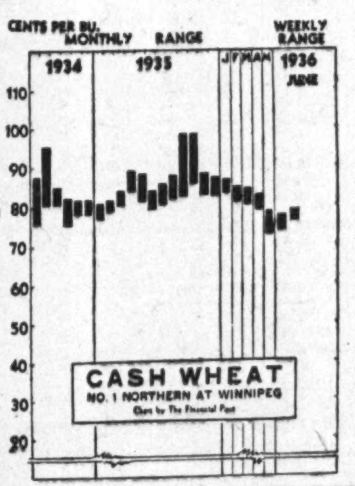
Along these lines it was brought out in discussion at the convention that out of approximately 350,000 unemployed workers, only about 20 per cent are capable of being absorbed by the manufacturing industry. Consequently the problem is one of equal importance to other industries.

Another point discussed was the effect of the relief system on the morale of the worker. It was generally felt that while provision had to be made for the worker who was unemployed through no fault of his own, the relief should not be on such a basis as to encourage continued idleness when work was made available. In this the convention was in sympathy with the programme being enforced in Quebec by the Hon. T. D. Bouchard, who has initiated a plan under which no one in Quebec will receive relief unless the recipient agrees to work for it.

Discuss Empire Trade

Foreign trade also was discussed at some length by the delegates. Trade Commissioners from the United Kingdom, Australia, New Zealand, South Africa and the West Indies addressed the meeting. While their remarks were carefully guarded, in view of the forthcoming revision of the Empire Trade Agreements, it was intimated that Canadian manufacturers could make further efforts and even concessions toward stimulating Empire trade. Some expressed the view there should be a greater degree of reciprocal trading even though it might affect certain industries in this country.

Wheat Prices



(Cash Quotations)

	For Week June 9 High	For Week June 9 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard	.80½	.75¾	.78⅝	.75⅝
1 Northern	.78¾	.76¾	.76⅝	.74⅛
2 Northern	.76⅛	.74⅛	.74	.71⅜
3 Northern	.72½	.70¾	.70⅝	.68⅛
4 Northern	.68¼	.66½	.65⅞	.63⅛
5 Wheat	.61¼	.59¼	.59⅛	.56⅜
6 Wheat	.55	.52¼	.52⅛	.49⅜
Feed Wheat	.44	.42	.42⅜	.39⅛
Vancouver: Week to June 8:				
1 Northern	.76	.73⅞	.73⅜	.71

Competitive Export Prices:
(June) shipment.

	High Week to June 5	Low Week to June 5
No. 1 North. (Vanc.)	0.93⅛	0.90
No. 2 North. (Atlan.)	0.89⅛	0.85⅞
No. 2 North. (Vanc.)	0.91⅛	0.88⅝
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.90⅜	0.88¼
Australian	0.93½	0.91½
French	0.78⅛	0.77¾

Winnipeg Grain Futures

Week to June 9, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open June 3	High for week	Low for week	Close June 9
		Wheat				
.92⅞	.73⅛	July	.76⅛	.78¾	.75½	.77
.89	.74⅜	Oct.	.77⅝	.79¾	.76⅜	.77⅜
.80	.76½	Dec.	.78⅛	.80	.76½	.77⅞
		Oats				
.33⅜	.30	July	.31⅜	.32⅜	.31⅛	.31¼
.31⅞	.29½	Oct.	.29⅝	.30½	.29½	.29½
.29	.29	Dec.	.....	.29	.29	.29
		Barley				
.40¼	.35¾	July	.36½	.37½	.35¾	.36½
.40¼	.34⅛	Oct.	.34⅞	.35⅞	.34⅛	.34½
		Flax				
1.63	1.40¼	July	1.45	1.49½	1.41¼	1.42¼
1.47⅝	1.37½	Oct.	1.41	1.45¼	1.37½	1.38¾
		Rye				
.48½	.39⅛	July	.42¼	.43	.40⅝	.41⅝
.49	.41⅛	Oct.	.43¾	.44½	.41⅝	.42⅛
.45	.42	Dec.	.45	.45	.42	.43

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Terminal Elevator at Port Arthur
(Capacity 3,500,000 bushels)
Over 200 Elevators in Western Canada

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N. M. PATERSON & COMPANY LTD.
Own and Operate
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31 Vessels on the Great Lakes
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LOCATED AT FORT WILLIAM ON C.N.R. & C.P.R. ELEVATOR ABSOLUTELY FIREPROOF THROUGHOUT. OPERATED BY ELECTRICITY — CAPACITY 5,750,000 BUS.

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Campana's Italian Balm
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CAMPANA'S ITALIAN BALM

Fifty-five years ago W. H. Cox, a pharmacist in Toronto, began mixing a skin lotion in his drug store. The product was called Campana's Italian Balm. As time went on his sales on Italian Balm became a major part of his business. E. G. West, another resident of Toronto, engaged in the wholesale drug business, bought the formula and business from Mr. Cox. Under the new management distribution and sale spread to all provinces in the Dominion.

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◆

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING JUNE 8

Range 1936 High	Low	Div R'te $	June 6 Y'ld %		Sales	Last June 1	Week end. June 8 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	920	1.60	1.70	1.50	1.65
13	6¼	.	...	Do. pref. 6%	495	7¼	7½	6¾	7¼
12	6⅞	.	...	Do. cert. dep.	100	7⅞	7½	7¼	7¼
4½	4½	.	...	Acadia Sugar	....	(4½ bid 5 asked)			
15½	15	.	...	Acme Glove, n.	76	15	15½	15	15
95	95	.	...	Do. pref.	....	(— bid 95 asked)			
10	7⅞	40c	5.2	Agnew Surp.	15	8	7⅞	7⅞	7⅞
107	102½	7	6.8	Do. pref.	10	102½	102½	102½	102½
6	3	.	...	Alta. Pac. Gr.	....	(4 bid 5 asked)			
39	25	.	...	Do. pref.	20	29	28	27	27
3	2	.	...	Amal. Electric	25	3	3	3	3
23	14	.	...	Do. pref.	....	(15 bid 20 asked)			
40½	29⅞	15c	...	Amer. Cyn. B.	....	(34 bid — asked)			
54½	51⅞	3.50	6.6	Ang. C. Tel. p.	20	53½	53	53	53
30	17½	.	...	Asbestos v. t.	670	28	28	27	28
15	9⅞	60c	5.4	Assoc. Brew.	55	10	11	11	11
110	104	7	6.5	Do. pref.	30	106	109	108	108
35	34	.	...	Assoc. T. & T. p	....	(— bid 43 asked)			
106	105½	7	6.6	At'an. Sugar, p	....	(105 bid — asked)			
				B					
58	51½	2.25	3.9	Bank of Canada	371	57½	58	57	57
140	133	8	5.8	Bk. Can. Nat.	25	137	138	138	138
214	182½	8	4.2	Bk. Montreal	274	192½	192	189	190
300	271	12	4.2	Bk. N. Scotia	58	283	285	282	283
235	225	10	4.4	Bk. Toronto	2	230	226½	226½	226½
13½	11	75c	...	Barcelona	....	(8½ bid 11½ asked)			
17⅞	10½	.	...	Bathurst Pr.	1739	14	14½	13⅞	14
5⅞	3	.	...	Do. (B)	213	3⅞	4½	4	4½
4	1½	.	...	Bawlf Grain	5	2	2	2	2
38	24	.	...	Do. pref.	....	(— bid 30 asked)			
3	2½	.	...	Beath & Sons	....	(2½ bid — asked)			
15	9½	.	...	Beatty Bros. A.	115	9½	9⅞	9½	9⅞
105	96	6	6	Do. pref.	110	100½	101	100	100
3⅞	2	.	...	Beauharnois	12570	2	2⅜	2	2⅜
110	105	4	3.6	Belding Cort.	....	(100 bid 110 asked)			
135	130	7	5.2	Do. pref.	....	(125½ bid — asked)			
150	140	6	4.1	Bell Telephone	762	145	149	145	148⅞
36	30	1.25	...	Biltmore Hats	....	(34½ bid 35 asked)			
110	110	7	6.4	Do. pref.	....	(106½ bid — asked)			
5	3½	.	...	Bissell, T. E.	....	(4 bid 5 asked)			
50	33	.	...	Do. pref.	....	(42 bid 50 asked)			
5	3½	.	...	Blue Ribbon	5	4	4	4	4
32	27	2	6.2	Do. pref.	245	31½	32	31½	32
31⅞	30	2	6.6	Brant. Cord. pf.	2088	30½	30½	30½	30½
15½	9⅞	30c	...	Brazilian Tr.	13600	12½	12⅞	11½	12
1.15	.80	.	...	Brew. & Distil.	1605	.95	.95	.90	.90
4½	2½	.	...	Brewing Corp.	1340	2⅞	2⅞	2½	2½
18½	13⅞	1.50	8.9	Do. pref.	1355	16⅞	16⅞	16	17⅞
9	5½	30c	5.2	Bright, T. G.	60	7½	5⅞	5⅞	5⅞
82	80	6	7.5	Do. pref.	....	(79 bid — asked)			
27⅞	16½	80c	3.4	Brit. Amer. Oil	6631	23½	23⅞	23	23½
13	8⅞	.	...	B. C. Packers	164	9	9½	9	9½
32⅞	28½	1.60	5.4	B. C. Power A.	927	29⅞	30	29½	29⅞
5⅞	3⅞	.	...	Do. (B)	60	3⅞	4½	4	4½
16	9⅞	1.20	12	Bruck S. Mills	1115	10⅞	10⅞	9⅞	10
37½	33	1+25c	3.6	Building Prod.	360	34	34½	33½	34½
47⅞	37½	2	4.8	Burt, F. N.	66	43	42	41	41
				C					
86½	78	6	7.5	Calgary Pr., pf.	....	(76 bid 80 asked)			
6	4½	.	...	Canada Bread	65	5	5	5	5
97	90	1.25+50c	...	Do. pref. A.	....	(95 bid 100 asked)			
44	30	.	...	Do. pref. (B)	185	34	36	35	36
9⅞	6½	.	...	Canada Bud	925	9½	9½	9½	9½
8	6	.	...	Canada Cement	1059	6⅞	6⅞	6½	6½
75	58	.	...	Do. pref.	900	70½	70	67	68
70	57	1.50+1	4.2	Can. & D. Sug	....	(58 bid 60 asked)			
b16½	10⅞	.	...	Canada Dry	33200	12½	15½	12½	15
7	3	.	...	Can. Forg. (A)	200	4	3	3	3
2	2	.	...	Do. (B)	....	(2 bid — asked)			
50	40	.	...	Canada Iron	....	(— bid 50 asked)			
60	60	3	5	Do. pref.	....	(58 bid — asked)			
35	30½	1.50+50c	6.2	Can. Malting	1255	31½	32½	31½	32
25⅞	22½	1.20	4.9	Can. Nor. Pr.	482	24	24½	24	24½
111	107⅞	7	6.4	Do. pref.	47	110	110½	110	110
93	80	3	3.6	Can. Packers	75	83	83½	82½	83½
118	105	.	...	Can. Paper, pf.	....	(— bid 111 asked)			
2	2	.	...	Can. Paving, pf.	....	(1⅞ bid 3⅞ asked)			
160	137½	8	5.3	Can. Perman.	104	149	151	150	150
3½	1	.	...	Can. Steamsh's.	....	(1½ bid 1⅞ asked)			
15½	6½	.	...	Do. pref.	551	7½	7⅞	6⅞	7
27½	19½	1.20	5.9	Can. Vinegars	310	20⅞	20½	19⅞	20½
27	20½	.	...	Can. W. Cable	25	26½	26	26	26
12½	9	.	...	Do. (B)	25	10	10	10	10
102¼	98½	.	...	Do. pref.	....	(104 bid — asked)			
4	2	.	...	Can. Bakeries	....	(2 bid 3½ asked)			
57	42	.	...	Do. pref.	19	43	43	42	42
170	148	8	5.3	Can. Bk. Com.	225	153	154	152	153
41	31	1	2.6	Can. Bronze	35	38	39	38	39
116	101	7	6.7	Do. pref.	32	105	106	105	106
5½	4	.	...	Can. Canners	10	4½	4½	4½	4½
100	88⅞	6	6.1	Do. 1st pfd.	21	99	99	98	98
8½	5½	.	...	Do. 2nd pfd.	960	5½	5⅞	5½	5⅞
8	5½	.	...	Can. Car & Fd'y	3290	6	7	5⅞	6½
17⅞	13	.	...	Do. pref.	2750	15	15½	14⅞	15½
31½	25½	40c	...	Can. Celanese	1095	27½	27½	27	27½
128	112	7	5.9	Do. pref.	60	116	120	118	118
21	18	.	...	Do. Rights	20	19½	20	20	20
30	22½	2	8	Can. Convert.	10	28	28	25	25
50	48	4	8	Can. Cottons	35	50	50	50	50
105	97	6	6	Do. pref.	16	100	100	100	100
49½	37	2+1	6.2	Can. Dredge	787	44⅞	48	44½	48
100	98⅞	6	6.1	Can. Fairb. pf.	5	98⅞	99	99	99
34	23½	1.60	5.5	Can. For. Inv.	3025	29½	29½	29	29
107	105	8	7.5	Do. pref.	....	(107 bid — asked)			
175	151	5	3.2	Can. Gen. Elec.	....	(158 bid 175 asked)			
8½	7½	40c	...	Can. G. Inv.	....	(7½ bid — asked)			
48	26	.	...	Can. Hyd. El. p.	638	33	35½	32	32
12½	6⅞	.	...	Can. Ind. Alc.	8430	7⅞	8	6⅞	7⅞
11½	6	.	...	Do. (B)	1570	6½	6½	6	6½
225	221	4	1.7	Can. Indust. B.	....	(221 Mar. 7)			
4	1	.	...	Can. Int. I. Tr.	....	(1 bid 1½ asked)			
65	35	.	...	Do. pref.	....	(51 bid — asked)			
23	20	1	4.8	Can. Lt. & Pr.	13	22½	20⅞	20⅞	20⅞
4	2½	.	...	Can. Locomo.	50	2⅞	3½	2½	2½
b2⅞	1⅞	.	...	Can. Marconi	2000	1⅞	2	1⅞	1⅞
18	12	50c	4.2	Canadian Oil	180	12	12	12	12
130	123	8	6.2	Do. pref.	15	120	130	130	130
15½	10⅞	.	...	Can. Pacific	9223	12½	13½	12½	12½
.15	.15	.	...	C. Pr. & Pa. I.	....	(20 bid — asked)			
7	4½	.	...	Do. pref.	48	7	5½	5½	5½
3⅞	1½	.	...	Can. Vickers	30	2	2	2	2
25	12	.	...	Do. pref.	....	(— bid 18 asked)			
3⅞	2	.	...	Can. Wineries	1025	2⅞	3	2⅞	2⅞
26½	21	1.50	...	Can. Wire Box	996	25½	26½	25	25
101½	100	.	...	Carnation, pf.	70	100	101½	101	101
2⅞	2½	.	...	Catelli Food	200	..	2⅞	2½	2⅞
15	13½	.	...	Do. pref.	60	14	13½	13½	13½
165	165	8	4.8	Cent. C. Loan	....	(160 bid 195 asked)			
1.60	.85	.	...	Chem. Research	2050	.97	.95	.90	.95
3.60	1.75	.	...	City Gas & El.	105	2.00	1.75	1.75	1.75
.60	.25	..	...	Claude Neon	150	.25	.30	.25	.25
14½	12⅞	92c	...	Coast Brew.	130	13	13	13	13
5½	4	.	...	Do. Rights	308	4⅞	4⅞	4⅞	4⅞
9⅞	6½	.	...	Cockshutt Plow	675	6⅞	6⅞	6½	6⅞
1.35	.65	.	...	Comm. Alcohol	115	.75	.75	.70	.70
18⅞	15⅞	80+10c	...	Cons. Bakeries	835	16½	16⅞	16½	16½
3⅞	2	.	...	Cons. Paper	910	2⅞	3	2⅞	2⅞
9	5	.	...	Cons. Press	....	(5 bid 6 asked)			
35	33	.	...	Cons. Sand, pf.	120	35	35	33	35
57⅞	51	.	...	Cons. Smelters	25628	56½	56⅞	55½	56
205½	189	10	4.9	Consumers' Gas	98	200	203	201½	203
90	78	7†	8.7	Corr. P. Box, p.	10	82	80½	80	80½
22⅞	17½	80c	4	Cosmos Imp.	143	20	20	19⅞	20
103	102	5	4.8	Do. pref.	65	103	103	103	103
17	15	80c	5.3	Crown Cork	95	15½	15	15	15
2⅞	2	.	...	Crown Dom. Oil	....	(2 bid 2½ asked)			
48	30	3	...	Crow's N. Coal.	....	(48 bid 49 asked)			
				D					
4	2	.	...	David & Fre. A.	....	(— bid 2⅞ asked)			
1½	½	.	...	Do. (B)	....	(— bid ⅞ asked)			
7	2	.	...	De Havilland	5	3½	4	4	4
68	40	.	...	Do. (A)	....	(— bid 61½ asked)			
4	4	.	...	Disher Steel	....	(— bid 3½ asked)			
11½	7½	.	...	Do. pref.	....	(8 bid 10 asked)			
34⅞	18½	.	...	Distill-Seagram	4060	22⅞	22⅞	21⅞	22⅞
222½	190	10	4.8	Dom. Bank	28	205	208	200½	208
40½	32	1.20	3.2	Dom. Bridge	2924	36⅞	37½	36⅞	37½
17⅞	14	1.50	9.4	Dom. Coal, p.	620	15⅞	16½	15⅞	16
36	26½	.	...	Dom. Engineer	20	35½	35½	35½	35½
41	32	.	...	Dom. Foundries	....	(35 bid 50 asked)			
115	106	5	4.5	Dom. Glass	....	(— bid 112 asked)			
145½	135	7	5	Do. pref.	6	145½	140½	140½	140½
35⅞	33	.	...	Dom. Oilcloth	....	(33½ bid 35 asked)			
100	95	7	7.4	Dom. Rub., pf.	....	(90 bid — asked)			
8	3⅞	.	...	Dom. St. & C B	2121	4½	4⅞	4⅞	4⅞
12	8	.	...	Dom. Stores	1075	8½	8⅞	8½	8⅞
7½	4⅞	.	...	Dom. Tar & Ch.	1265	5½	5⅞	5½	5½
80	57	.	...	Do. pref.	150	74	76½	74	75
79	65	5	7.6	Dom. Textile	443	69½	69½	65	65½
148	144	7	4.7	Do. pref.	27	146½	148	148	148
9½	4⅞	.	...	Donnacona P. A	185	5⅞	5⅞	5½	5⅞
7½	3⅞	.	...	Do. (B)	95	5½	5½	5½	5½
7	4⅞	.	...	Dryden Paper	345	4⅞	4⅞	4⅞	4⅞
				E					
2½	1	.	...	East Koot. pr.	....	(2½ bid — asked)			
16	5	.	...	Do. pref.	....	(7 bid 14 asked)			
3½	1⅞	.	...	East. Dairies	....	(2 bid 2½ asked)			
16½	11	.	...	Do. pref.	5	11	11	11	11
13⅞	10	.	...	East. Steel	500	11½	13	12	13
101	80	7	6.9	Do. pref.	5	100	101	101	101
85	80	7	8.7	East. Theat., pf.	....	(76 bid 85 asked)			
2½	1½	.	...	Easy Washing	10	2½	2½	2½	2½
24	20	62½c	...	Economic Inv.	....	(22½ bid 24½ asked)			
28½	19⅞	1.60+10c	..	Electrolux	615	22⅞	23½	22½	23
3	1	.	...	Enam. & Heat.	40	1½	1½	1½	1½
24	10½	.	...	Eng. Electric	5	20½	20	20	20
12½	7	.	...	Do. (B)	....	(8 bid 8½ asked)			
*9	6⅞	.	...	European El. A.	....	(— bid 7 asked)			
35	.35	.	...	Do. Warrants	....	(35 bid — asked)			
				F					
21½	18	.	...	Fam. Players	2	18	18	18	18
20	14	.	...	Do. Vot. Tr.	....	(18 bid 23 asked)			
17½	13½	50c	3.6	Fanny Farmer	1655	13⅞	14	13½	13⅞
20½	20⅞	75c	...	Ford Motors A.	11478	22½	22½	20⅞	21½
00	.85	.	...	For. Pr. Secs.	105	1.00	1.00	1.00	1.00
18⅞	13	.	...	Foundation Co.	295	15	14⅞	14½	14½
19½	9	.	...	Fraser Cos.	1395	12½	14½	11½	14½
19	8	.	...	Do. Vot. Tr.	845	12½	13	12	12⅞
74	.25	.	...	Do. Rights	23808	.50	.71	.35	.52
30	.55	6	10	Freiman, pf.	....	(— bid 59 asked)			
8	2⅞	.	...	Frost Steel	....	(3 bid 5 asked)			
0	89	3.50	...	Do. pref.	50	93	89	89	89
				G					
54	3	.	...	Gen. St. Wares	465	3½	3½	3	3
5	48	.	...	Do. pref.	75	51	50	50	50
3	64⅞	2.50	3.6	Goodyear Tire	90	69⅞	70	70	70
9	53½	2.50	4.4	Do. pref.	252	56	56½	56	56½
3	1	.	...	Gt. W. Saddlery	50	2	2	2	2
0	13	.	...	Do. pref.	....	(— bid 25 asked)			
8½	6½	.	...	Gurd, Chas.	210	7	7	7	7
0	100	7	7	Do. pref.	....	(93½ bid 100 asked)			
½	5½	.	...	Gypsum, Lime	1188	5⅞	6	5½	6
				H					
6⅞	4	.	...	Ham. Bridge	870	4½	5½	4	5
37	25½	.	...	Do. pref.	40	34	35	33⅞	35
29½	25½	2	7	Ham. Cot., pf.	....	(28½ bid 29½ asked)			
1	½	.	...	Ham. U. Theat.	....	(1 bid 2 asked)			
53	40	4	...	Do. pref.	....	(52½ bid 55 asked)			
4	2⅞	.	...	Harding Carpet	25	3½	3½	3½	3½
9	1½	.	...	Hillcrest Coll.	....	(2½ bid 10 asked)			
16	7	.	...	Do. pref.	....	(7 bid 15 asked)			
15½	12	50c	...	Hinde & Dauch	420	13	12⅞	12½	12½
7	7	.	...	Holt Renfrew	....	(4 bid — asked)			
40	30	.	...	Do. pref.	....	(35 bid 40 asked)			
.70	.40	.	...	Honey Dew	13	.50	.50	.50	.50
12	7	.	...	Do. pref.	....	(10 bid 12 asked)			
14⅞	9½	.	...	H. Smith Pap.	331	10½	10⅞	9⅞	10
118	88	2⅞	...	Do. pref.	115	91	91½	90½	91½
35	29½	2	6.7	Humberstone S.	25	30	30	30	30
6	4½	.	...	Hunts (A)	....	(4½ bid 4⅞ asked)			
6	6	.	...	Do. (B)	....	(6 bid 10 asked)			
90	75	5	6.6	Huron & E. Mt.	99	77	76	75	75
12⅞	10⅞	.	...	Do. 20% pd.	2	10⅞	10⅞	10⅞	10⅞
10½	6½	.	...	Hydro Electric	....	(7 bid 7⅞ asked)			
				I					
221	198	10	4.8	Imperial Bank	59	208	209	208	209
24½	20½	50+75c	5.9	Imperial Oil	15507	21½	21⅞	21	21
14½	13½	52½c	3.7	Imperial Tob.	3390	13⅞	14½	14	14
7⅞	7	6%	...	Do. pref.	....	(7½ bid — asked)			
30	19	1	...	Inter City Bak.	....	(26 bid 30 asked)			
45	40	5+2	...	Inter'c Coal	....	(— bid 49½ asked)			
115	115	8	6.9	Do. pref.	....	115	..	..	..
b5½	2½	.	...	Int. Hyd. E. A.	900	3	3	3	3
7½	4	.	...	Int. Metal Ind.	20	6	5⅞	5⅞	5⅞
42	30	.	...	Do. pref.	25	39½	39½	38	39½
105⅞	101	5	4.8	Inter. Mill., pf.	10	103	103	103	103
54	43½	1.20	2.5	Inter. Nickel	11393	46⅞	47½	45½	46⅞
6	2½	.	...	Inter. Paints	200	3½	3	3	3
29½	19	1.12½▲	...	Do. pref.	5	21½	23	23	23
b7⅞	3⅞	.	...	Int. Pa. & P. A.	1200	5½	5	4½	4⅞
b4	2½	.	...	Do. (B)	200	2⅞	2⅞	2½	2⅞
b3½	1⅞	.	...	Do. (C)	1500	2	2	2	2
b36⅞	20½	.	...	Do. pref.	6600	29⅞	30⅞	27⅞	28½
39⅞	33⅞	1.50+1	6.8	Inter. Pete.	6884	36⅞	37	36½	37
6	3½	.	...	Inter. Power	30	4	4	4	4
88½	57	6	7.3	Do. pref.	114	83	83⅞	81	83
15½	13½	1.12	...	Int. St. Rly. A.	50	15½	13½	13½	13½
14½	3⅞	.	...	Int. Util. (A)	30	10	9⅞	9⅞	9⅞
2.25	.40	.	...	Do. (B)	427	1.00	1.00	1.00	1.00
				J					
35½	33	1.50	4.3	Jam. Pub. Ser.	....	(35½ bid — asked)			
127	123½	7	5.5	Do. pref.	....	(125 bid — asked)			
				K					
9	6½	.	...	Kelvinator	5	6⅞	6⅞	6⅞	6⅞
107	105½	7	6.6	Do. pref.	10	106	105½	105½	105½
				L					
22	16½	.	...	Lake of Woods	460	20	20½	19	19½
138	123	1.75	...	Do. pref.	275	136	138	137	138
58	54	5	9.2	Landed Bank	....	(55 bid 82 asked)			
3	3	.	...	Langley's	....	(1½ bid 3 asked)			
50	35	.	...	Do. pref.	10	35	35	35	35
69	64⅞	3	4.5	Laura Secord	140	67	67½	67	67
4	2	.	...	Lindsay, C. W.	....	(2⅞ bid 2⅞ asked)			
41⅞	40	.	...	Do. pref.	....	(46 bid 55 asked)			
21	18⅞	1	4.8	Loblaw (A)	2758	20⅞	21	20½	21
18½	17½	1	5.4	Do. (B)	1550	18½	18½	18	18½
				M					
4	4	.	...	Manitoba Pr.	....	(4 bid — asked)			
.50	.50	.	...	M. L. Gardens	....	(.50 bid 1.50 asked)			
4	3½	.	...	Do. pref.	70	3½	3½	3½	3½
2.25	1.00	.	...	Maple Leaf	375	1.15	1.15	1.00	1.00
5⅞	2	.	...	Do. pref.	....	(3 bid 3½ asked)			
*12⅞	12	60c	...	Maritime Tel.	....	(13⅞ bid — asked)			
*15	14½	70c	...	Do. pref.	....	(14⅞ bid — asked)			
18	18	.	...	Marcus Loew's	....	(14½ bid 18 asked)			
115	111	7	6.1	Do. pref.	....	(— bid 119 asked)			
7½	4⅞	.	...	Massey-Harris	535	5½	5⅞	5	5
40	29½	.	...	Do. pref.	478	34½	33⅞	32⅞	33½
17⅞	12½	80c	5.3	McColl Fron.	2337	15	15½	14⅞	15
105	96½	6	5.8	Do. pref.	412	102	103½	102	103
13⅞	9½	50c▲	...	Melcherts (A)	685	9½	9½	9½	9½
5⅞	3½	.	...	Do. (B)	....	(3½ bid 4 asked)			
13½	9	.	...	Mercury Mills, p	20	10	10	10	10
36	30	1	...	Mitchell, J. S.	....	(36 bid — asked)			
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
8	5½	.	...	Mitchell, Robt.	690	6½	6	5⅞	5⅞
5	3	.	...	Monarch Knit	10	4½	4½	4½	4½
95	85	7	7.9	Do. pref.	....	(87 bid 90 asked)			
35	26	.	...	Montreal Cot.	....	(30 bid 35 asked)			
100	85	7	7.5	Do. pref.	7	95	93	93	93
2½	1⅞	.	...	Mont. Is. Pr.	....	(2 bid 4 asked)			
34	30	1.50	4.6	Mont. L. & Pr.	9714	31	32½	31	32
26	26	2	7.7	Montreal Loan	....	(26 bid 36 asked)			
9	9	.	...	Mtl. Ref. & S.P.	20	9	9	9	9
2	2	.	...	Do. Vot. Tr.	20	2	2	2	2
60	55½	3.20	5.7	Montreal Tele.	23	56	56½	55½	55½
103	85	9	9.7	Montreal Trams	31	93	93	92	93
39	27⅞	1	2.8	Moore Corp.	1748	36	36	35½	36
165	146	7	4.5	Do. pref. (A)	15	156	156	156	156
230	175	7	3.2	Do. pref. (B)	12	210	215	215	215
1.00	.25	.	...	Muirheads	....	(.40 bid .60 asked)			
3½	3	.	...	Do. pref.	....	(3½ bid — asked)			
				N					
44	37	2	4.5	Nat. Breweries	1946	43	44⅞	43	44½
43	39⅞	1.75	4.2	Do. pref.	130	42	42½	42	42
7⅞	5	.	...	Nat. Grocers	340	5	5⅞	5½	5½
135	130	7	5.4	Do. pref.	100	130	130	130	130
20	16⅞	.	...	N. Sew. Pipe A.	250	16⅞	16⅞	16⅞	16⅞
17½	13	.	...	Nat. Steel Car	230	14	14⅞	13½	13½
205	196	8	3.9	National Tr.	14	205	210	205	210
57½	34	75c	...	Niag. W. Weav.	15	55	55	55	55
60	56	3	5.2	Do. pref.	....	(57½ bid 59 asked)			
1.75	.90	.	...	North Star Oil	280	1.55	1.55	1.55	1.55
4.00	3.15	8⅞c▲	...	Do. pref.	100	3.60	3.25	3.25	3.25
75	61	3	4	N. S. L. & Pr.	....	(83½ bid — asked)			
102½	100⅞	6	5.9	Do. pref.	....	(101⅞ bid — asked)			
				O					
240	199⅞	8	3.6	Ogilvie Flour	57	220	225	215	220
165	152	7	4.3	Do. pref.	71	160	165	162	165
10	7	.	...	Ont. Eq. 10% pd.	230	7½	7½	7	7
112½	109	6	5.3	Ontario Loan	....	(112 bid — asked)			
14½	7	.	...	Ont. Silknit	30	9	9	7	7
90	80	7	8.3	Do. pref.	30	82	84	83	84
8	6	.	...	Ont. Steel	....	(5⅞ bid 6 asked)			
85	74	.	...	Do. pref.	....	(— bid 95 asked)			
.40	.25	.	...	Orange Crush	245	.25	.35	.30	.35
20	6	.	...	Do. 1st pref.	25	16⅞	22	20	22
.75	.40	.	...	Do. 2nd pref.	85	.75	.75	.75	.75
95	88	6	6.4	Ott. L. H. & Pr.	20	92	93	93	93
110	101½	6.50	6	Do. pref.	54	108	110	108	110
21	15½	2	12.5	Ott. Traction	2	17	16	16	16
				P					
95	78½	3	3.4	Page Hersey	412	90	91	88½	90
6⅞	3½	.	...	Pantepec Oil	6690	6	6½	5⅞	6
25	18	.	...	Paton Mfg.	....	(— bid 27 asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
57	48	3	5.7	Penmans	15	51	53	52	53
125	118	6	4.9	Do. pref.	....	(123 bid — asked)			
27	22	1	4.4	Photo Eng.	70	22½	23	22½	22½
97	85	7	7.7	Porto Rico Pr. p	....	(— bid 84⅞ asked)			
18⅞	11⅞	.	...	Power Corp.	1365	14	15½	14	15
101	97½	6	6.1	Do. pref.	34	98½	99	98	99
2½	1½	.	...	Prairie C. Oil	....	(1½ bid 2 asked)			
29½	19	87½+12½c	...	Pressed Metals	15	28⅞	28	27½	27½
6½	2⅞	.	...	Price Bros.	94	3	3	3	3
40	22	.	...	Do. pref.	225	25	25	24	24
				Q					
18	14	1	6.1	Quebec Power	170	16	16⅞	15½	15½
				R					
*58	40	2	...	Real Estate L'n	....	(— bid 48 asked)			
6½	4½	.	...	Regent Knit.	550	4½	4½	4½	4½
15	12½	.	...	Do. pref.	15	15	15	15	15
10	6	.	...	Reliance Grain	....	(3½ bid — asked)			
21½	21½	.	...	Remington Rand	....	(19½ bid — asked)			
31	29	2+25c▲	6.4	River. S. Mills	....	(30 bid 31 asked)			
6½	4	.	...	Rogers Majest.	495	4½	4½	4	4
104	95½	6	6	Rolland P., pf.	7	100	100	99	100
182	164	8	4.7	Royal Bank	129	170	170	168	168½
35	30	.	...	Russell Motor	....	(35 bid — asked)			
115	100	7+1▲	6.4	Do. pref.	85	109	109½	109	109
				S					
11	7	.	...	Sarnia Br. (A)	120	8	8	7	7
3	1⅞	.	...	Do. (B)	50	2	2	2	2
23⅞	19½	60c	3	Shawinigan	5406	20	20½	19⅞	20½
20	16	.	...	Sher. Wms.	55	16	16½	16	16½
127½	115	7+1.75▲	.	Do. pref.	....	(— bid 115 asked)			
12	10	.	...	Simon & Son	....	(10 bid 10½ asked)			
93	85	7▲	...	Do. pref.	....	(92 bid — asked)			
80	73	4	5.3	Simpson, Ltd.	310	76	77	75	77
12	10½	.	...	Do. (A)	....	(— bid 11½ asked)			
9	4	.	...	Do. (B)	50	8	7	4	7
117½	111½	6	5.1	Simpson, R., pf.	....	(112 bid 115 asked)			
14	11	80c	7.3	So. Can. Pr.	330	12	12	11	11½
100	98	6	6	Do. pref.	38	100	100	99½	100
2.75	1.50	.	...	St. Law. Corp.	435	1.65	1.65	1.60	1.60
11½	8	.	...	Do. (A)	1350	9⅞	10	9½	10
51	40	2	4.3	St. Law. Flour	28	46	51	47	51
125	120	7	5.6	Do. pref.	....	(125 bid — asked)			
32	20½	.	...	St. Law. Pa. p.	753	29	29	27	28½
10	6⅞	.	...	Stand. Chem.	....	(8½ bid 9½ asked)			
2	2	.	...	Stand. Clay	....	(2 bid 9 asked)			
3.75	1.15	.	...	St. Pav. & Mat.	165	2.25	2.12	1.87	1.87
22	12	.	...	Do. pref.	....	(14 bid 20 asked)			
32	20	.	...	Stand. Steel, pf.	....	(35 bid — asked)			
67½	57	1.75‡	2.8	Steel of Can.	1307	62⅞	63	61	62½
60½	49½	1.75	3.1	Do. pref.	856	56⅞	57	56½	56⅞
4	3	.	...	Sterling Coal	....	(3 bid 4 asked)			
2½	½	.	...	Stop & Shop	....	(⅞ bid 1 asked)			
2½	2	.	...	Supersilk H.	....	(2⅞ bid 3½ asked)			
72	69	3.50	..	Do. pref.	....	(66 bid 70 asked)			
38	30	1	2.9	Sup. Pete. ord.	150	35	35½	34½	34½
35	32	1	2.8	Do. com.	....	(33½ bid 40 asked)			
				T					
40	32⅞	.	...	Tamblyn	10	39	38½	38½	38½
114	110	7	6.2	Do. pref.	....	(112 bid 114 asked)			
5	1½	.	...	Thayers	50	2	2	2	2
37	30	3.50	11.7	Do. pref.	....	(28 bid 32 asked)			
3	1½	.	...	Thrift Stores	10	2	1½	1½	1½
10	7½	.	...	Do. pref.	....	(— bid 8 asked)			
11	8½	.	...	Tip Top Tailors	120	10	10	9	9
106	102	7	6.7	Do. pref.	5	105	105	105	105
1	1	.	...	Tooke Bros.	....	(1 bid 3 asked)			
22	10½	.	...	Do. pref.	....	(15½ bid 20 asked)			
40	34	1	2.8	Tor. Elevators	....	(36 bid 38 asked)			
119	109	7	6.2	Do. pref.	10	113½	112	112	112
95	84	4	4.7	Tor. Gen. Tr.	....	(85 bid 86 asked)			
120	115	6	5	Toronto Mtge.	3	119	120	120	120
155	150	7	4.7	Tuckett Tob. p.	1	150½	150	150	150
12½	8	.	...	Twin City	5	10	9	9	9
				U					
12½	9	10c	...	Union Gas	1692	10½	10⅞	10½	10½
20	15	30c	...	Un. Amuse. A.	....	(19 bid — asked)			
.95	.50	.	...	United Distill.	....	(.50 bid .70 asked)			
29	20	.	...	United Fuel, pf.	130	25½	25	23	23
25	20	2	8.7	United Secs.	9	22	23	23	23
4⅞	2½	.	...	United Steel	305	2⅞	2⅞	2⅞	2⅞
				V					
3½	2	.	...	Viau Biscuit	....	(2½ bid 2½ asked)			
38	18	.	...	Do. pref.	....	(31 bid — asked)			
				W					
31½	20	.	...	Wabasso Cot.	....	(20 bid 23 asked)			
34⅞	28½	2	7.1	Walker-Good.	182	28½	28⅞	28½	28⅞
19	17½	1	5.4	Do. pref.	690	18½	18½	18½	18½
3⅞	2	.	...	Walkerville Br.	495	2½	2½	2½	2½
2½	1½	.	...	Waterloo Mfg.	175	1½	1½	1½	1½
10	4½	.	...	West. C. Flour	45	5½	5⅞	5½	5⅞
65	36	.	...	Do. pref.	55	47	44	42	42
51	46½	2	3.9	West. Grocers	104	51	51	50	51
110⅞	107	7	6.5	Do. pref.	10	108	110	110	110
17⅞	13½	80c	5.2	Weston Ltd.	3453	14½	16½	14⅞	15
102	98	5	5.1	Do. pref.	215	99	99½	98⅞	99½
1.15	1.15	.	...	Windsor Hotel	....	(1.15 bid — asked)			
4½	4	.	...	Do. pref.	....	(4 bid 8 asked)			
4½	2⅞	.	...	Winnipeg Elec.	122	2⅞	3	2⅞	3
3⅞	2⅞	.	...	Do. A.	....	2⅞	..	..	..
18	10	.	...	Do. pref.	10	13	13	12½	12½
53	38	.	...	Wood, A. & J. p	....	(— bid 47 asked)			
67½	50	.	...	Woods Mfg., pf.	10	50	50	50	50
				Z					
3	2⅞	.	...	Zimmerknit, c.	847	2⅞	3	2⅞	3
69	60	3.50▲	..	Do. pref.	....	(65 bid 85 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.

† Plus $33.25 on arrears. Comprising one funding right for each preferred share.

▲ On account of arrears.

b New York quotations.

§ Plus one-eighth share of preferred stock, plus one share of common stock, all payable in settlement of arrears.

‡ Plus extra of $1.42½ paid Feb. 1, 1936.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

June 10, 1936

Dominion of Canada Bonds

			Bid June 10	Asked June 10	Approx. Yield	Bid June 3
†‡Dominion	5	1 Mar. 1937	103.25	103.60	...	103.35
‡Dominion	5½	1 Dec. 1937	106.85	107.25	.56	106.65
Dominion	2½	15 Oct. 1939	102.90	103.40	1.46	102.50
Dominion	4	15 Oct. 1939	107.90	108.40	1.44	107.65
Dominion	2	15 Nov. 1939	101.50	102.00	1.40	101.25
Dominion	1½	1 June 1940	99.90	100.40	1.40	.....
Dominion	4½	1 Sept. 1940	110.25	110.70	1.86	109.75
Dominion	5	15 Nov. 1941	114.10	114.60	2.14	113.25
Dominion	3	15 Oct. 1942	105.30	105.80	2.03	104.75
Dominion	2½	1 June 1943	102.85	103.35	1.98	102.25
Dominion	5	15 Oct. 1943	115.10	115.60	2.66	114.25
Dominion	4½	15 Oct. 1944	113.15	113.65	2.66	112.65
▪Dominion	2½	15 Aug. '43-45	99.35	99.85	2.52	98.75
Dominion	4	15 Oct. '43-45	109.00	109.50	2.57▲	108.50
Dominion	4½	1 Feb. 1946	113.15	113.65	2.87	112.65
Dominion	3½	15 Oct. '44-49	104.55	105.05	2.82▲	104.00
Dominion	4	15 Oct. '47-52	108.15	108.65	3.10▲	107.50
Dominion	3	1 June '50-55	99.00	99.50	3.04	98.50
Dominion	4½	1 Nov. '46-56	110.75	111.25	3.23▲	110.15
Dominion	4½	1 Nov. '47-57	110.75	111.25	3.32▲	110.15
Dominion	4½	1 Nov. '48-58	111.15	111.65	3.35▲	110.35
Dominion	4½	1 Nov. '49-59	111.35	111.85	3.40▲	110.50
▪Dominion	3¼	15 Jan. '56-61	101.00	101.50	3.15▲	110.25
Dominion	3¼	1 June '56-66	99.60	100.10	3.24▲	....

Dominion Guaranteed Bonds

			Bid June 10	Asked June 10	Approx. Yield	Bid June 3
*G. T. P. Ry.	3	1 Jan. 1962	99.75	100.75	2.96	99.00
Can. N. Ry.	3	1 May 1944	103.25	104.25	2.41	102.75
Can. N. Ry.	3	15 Dec. '45-50	99.00	100.00	3.00	98.50
Can. N. Ry.	3	15 Feb. '48-53	98.00	99.00	3.08	97.75
*Can. N. Ry.	4½	1 Sept. 1951	115.25	116.25	3.17	114.25
*Can. N. Ry.	4½	1 Feb. 1956	115.75	116.75	3.34	114.75
†Can. N. Ry.	4½	1 July 1957	113.00	114.00	3.56	112.25
*Can. N. Ry.	4¾	15 June 1955	117.75	118.75	3.40	117.00
Can. N. Ry.	5	1 Feb. 1954	117.50	118.50	3.60	116.50
*Can. N. Ry.	5	1 July 1969	118.00	119.00	2.90▲	117.25
*Can. N. Ry.	5	1 Oct. 1969	119.75	120.75	3.37▲	119.25
*M. Harb. C.	5	1 Nov. 1969	119.75	120.75	3.37▲	119.50

Provincial Government Bonds

			Bid June 10	Asked June 10	Approx. Yield	Bid June 3
Eastern—						
N. Bruns.	4	1 Sept. 1954	105.00	106.00	3.56	104.50
†N. Bruns.	4½	15 Apr. 1961	110.50	111.50	3.78	109.50
†N. Bruns.	5	15 Jan. 1960	115.25	116.25	3.95	115.00
N. Scotia	3	2 Sept. 1945	99.50	100.50	2.94	99.50
N. Scotia	4½	15 May 1943	108.00	109.00	3.06	108.00
†N. Scotia	4½	15 Sept. '47-52	110.00	111.00	3.34▲	109.50
†N. Scotia	5	1 Mar. 1960	117.00	118.00	3.84	116.00
*Ontario	4	1 June 1962	106.50	107.50	3.55	105.25
*Ontario	4½	1 Sept. 1944	110.75	111.75	2.88	110.50
Ontario	4½	1 June 1950	110.50	111.50	3.46	109.75
*Ontario	4½	15 Jan. 1962	112.00	113.00	3.71	110.50
Ontario	5	15 Oct. 1948	113.50	114.50	3.55	112.50
*Ontario	5	2 Dec. 1960	118.75	119.75	3.77	117.50
Ontario	5½	1 July 1946	116.25	117.25	3.54	115.00
O. H. C.	3½-4-5	1 Oct. '33-52	102.25	103.25	4.19●	102.00
Ont. Hyd. C.	4¾	1 Jan. 1970	113.25	114.75	3.96	112.75
P. E. I.	3	1 Oct. 1945	99.50	100.50	2.94	99.50
Quebec	4	15 Mar. 1952	107.25	108.25	3.33	107.25
Quebec	4¼	1 Aug. 1958	110.50	111.50	3.51	110.00
Quebec	4½	2 Jan. 1963	112.50	113.50	3.71	112.00
Western—						
Alberta	4	15 Dec. '49-54	70.00	75.00	...	....
†Alberta	4	1 Dec. 1957	70.00	75.00	...	....
Alberta	4½	1 Oct. 1951	75.00	80.00	...	....
†Alberta	4½	1 Oct. 1956	70.00	75.00	...	....
†Alberta	5	1 Jan. 1948	70.00	75.00	...	....
Alberta	5	1 Sept. 1955	70.00	75.00	...	....
*Alberta	5	1 Oct. 1959	70.00	75.00	...	....
†Alberta	5½	1 Jan. 1947	70.00	75.00	...	....
Alberta	6	1 Mar. 1947	74.00	77.00	...	....
†Brit. Col.	4	1 Dec. 1957	87.00	89.00	4.82	87.00
*Brit. Col.	4½	15 Jan. 1951	92.00	94.00	5.07	93.00
†Brit. Col.	4½	1 Oct. 1953	90.00	92.00	5.20	92.00
†Brit. Col.	5	15 Jan. 1948	94.00	97.00	5.34	95.00
Brit. Col.	5	1 Sept. 1953	92.00	94.00	5.54	92.00
Brit. Col.	5½	1 Feb. 1945	93.00	95.00	6.25	94.00
Brit. Col.	6	15 Feb. 1947	94.00	96.00	6.51	94.50
Manitoba	4	2 Jan. 1950	98.00	99.50	4.05	97.50
†Manitoba	4	1 Dec. 1957	98.00	100.00	4.00	98.00
†Manitoba	4½	15 Dec. 1956	101.00	102.00	4.35	100.50
†Manitoba	5	15 June 1954	106.50	108.00	4.38	105.00
*Manitoba	5	2 Dec. 1959	107.50	108.50	4.42	107.00
Manitoba	5½	1 Oct. 1955	105.00	106.00	5.02	104.00
Manitoba	6	1 Apr. 1947	105.00	106.50	5.24	104.00
Sask.	4	15 Aug. 1953	85.50	87.00	5.13	85.50
Sask.	4	1 Nov. '55-60	84.00	85.00	5.08	83.00
*Sask.	4½	2 July 1945	94.00	95.50	5.11	94.00
†Sask.	4½	1 Oct. 1951	92.00	93.50	5.11	92.00
†Sask.	4½	15 Mar. 1960	90.00	92.00	5.08	90.00
Sask.	5	1 Aug. 1958	94.00	96.00	5.31	94.00
†Sask.	5½	15 Nov. 1946	96.50	98.50	5.69	97.00
Sask.	5½	1 Oct. 1952	96.00	98.00	5.68	97.00
Sask.	6	15 Mar. 1952	98.00	100.00	6.00	98.00

Municipal Bonds

			Bid June 10	Asked June 10	Approx. Yield	Bid June 3
†Edmonton	5½	1 Nov. 1945	....	75.00	9.41	....
†Halifax	5	1 July 1961	112.50	114.50	4.08	113.00
Hamilton	5	1 May 1950	108.75	110.75	3.98	108.75
Montreal	5	1 Mar. 1945	104.00	105.00	4.30	104.00
Ottawa	4½	1 July 1945	108.00	110.00	3.21	108.00
†Quebec	5	1 June 1959	107.00	108.00	4.44	106.00
Regina	5	1 July 1944	70.00	80.00	8.48	75.00
St. John	5	15 Dec. 1950	107.50	109.00	4.17	107.00
†Toronto	4½	1 Jan. 1955	111.00	113.00	3.55	110.50
Vancouver	5	1 June 1969	79.00	85.00	6.05	79.00
Victoria	5	21 July 1945	86.00	90.00	6.46	86.00
Winnipeg	5	1 Mar. 1944	104.00	106.00	3.97	104.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

Mining Stock Quotations

WEEK ENDING JUNE 8, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close June 1 (or last)	High for week	Low for week	Close June 8
	.12	.04	Afton (Ex. dis)	150,900	.08	.09½	.05	.08
No	.22	.07	Aldermac	502,715	.17½	.22	.17	.20½
1	.04½	.01½	Alexandria	99,000	.03½	.03⅞	.03⅛	.03½
No	.12½	.03⅞	Algoma	134,500	.10½	.11½	.09	.09½
No	5.50	4.10	Anglo-Huronian	1,358	4.80	5.10	5.00	5.10
1	1.60	1.15	Argosy	12,200	1.50	1.55	1.35	1.40
No	.12	.02	Arno	21,700	.07½	.07	.06½	.06½
1	.97	.65	Arntfield	1,500	.80	.80	.79	.80
1	.25	.06½	Ashley	9,300	.15	.14½	.10	.11
1	.06½	.02½	Astoria Rouyn	158,000	.05½	.06½	.05½	.05½
1	.11½	.05½	Bagamac	257,650	.09½	.10½	.08½	.10½
1	.10	.03½	Barry Hollinger	252,050	.09½	.10	.06½	.07½
1	.40	.17	Base Metals	13,150	.18½	.18½	.17	.17
1	.55	.28	B.E.A.R.	104,500	.43	.55	.41	.48½
No	1.84	1.20	Beattie Gold	13,850	1.25	1.30	1.20	1.23
1	.47	.30	Beaufor Gold	50,600	.40	.43	.38	.42
1	.76	.50	Big Missouri	30,716	.61	.65	.60	.60
1	.24	.13	Bobjo	37,500	.18	.19	.16	.18
No	8.60	5.55	Bralorne	9,831	8.10	8.60	8.00	8.40
1	.40	.15	Brazil Gold	......	(.15 bid .22 asked)			
1	.13	.02	Brett Trethewey	51,500	.09	.09½	.08½	.08½
50c.	.25½	.09	B.R.X. Gold	9,600	.15	.20	.12	.13
1	.05	.01	Brownlee	104,400	.03⅛	.03½	.03	.03
1	8.00	3.80	Buffalo Ankerite	9,350	7.60	7.85	7.05	7.40
No	.13	.02	Buffalo Can.	57,800	.09	.10	.08	.09
5	37.00	31.00	Bulolo Gold	2,025	33.50	35.00	33.50	35.00
No	.18	.06	Bunker Hill	10,800	.12	.12½	.12	.12½
No	1.45	.95½	Can. Malartic	26,700	1.20	1.20	1.08	1.08
1	1.60	1.15	Cariboo Gold	2,800	1.45	1.60	1.43	1.60
1	.15	.02	Cartier Malartic	224,520	.12	.12½	.10	.11
1	1.69	1.24	Castle Trethewey	37,025	1.45	1.54	1.45	1.52
1	.32	.11½	Cen. Manitoba	61,300	.25	.28½	.22⅞	.26
1	3.88	2.41	Cen. Patricia	56,755	3.42	3.88	3.35	3.80
1	.09⅞	.03½	Church M. & Mill	37,200	.07½	.08½	.06½	.06½
No	.14	.03	Clericy	150,775	.08½	.09	.07	.07
5	4.50	2.25	Coast Copper	750	2.25	2.50	2.25	2.25
1	.03½	.01½	Cobalt Contact	35,000	.02½	.02½	.02½	.02½
5	4.25	2.80	Coniagas	4,450	3.50	4.25	3.50	4.00
No	2.75	1.80	Coniaurum	9,880	2.30	2.37	2.13	2.20
1	2.30	1.10	Con. Chibougamau	26,995	1.99	2.00	1.75	1.81
25	57.75	51.00	Cons. Smelters	25,628	56.50	56.75	55.50	56.00
No	61.25	41.75	Dome Mines	4,470	60.00	61.25	58.75	59.00
1	.07	.04½	Dom. Explorers	9,600	.06½	.06½	.05½	.05½
1	.10½	.04	Duparquet	45,600	.06½	.06	.04	.05
1	1.38	.92	Eldorado	17,350	.95	.95	.92	.93
No	9.50	6.90	Falconbridge	5,065	8.00	8.15	7.80	7.80
1	.10	.03	Federal	182,900	.06½	.08½	.06½	.07½
No	.44	.19	Francoeur Gold	15,975	.23	.22	.20	.20
1	.11	.04½	Franklin Gold	73,400	.05½	.05½	.04½	.05
No	1.45	.75	God's Lake	53,178	.95	1.07	.90	1.00
1	.45	.14½	Goldale	253,100	.33	.42	.33	.38
50c.	.56	.30	Gold Belt	27,000	.50	.52	.45	.50
1	.26½	.06	Goodfish	190,850	.24½	.25½	.20	.20
1	.20	.03	Graham Bosquet	186,100	.14	.17½	.13½	.17½
1	.32	.17	Granada Gold	225,548	.21	.32	.21	.30½
No	.13½	.05⅞	Grandora	2,500	.12	.11	.10	.10
1	.73	.21	Greene Stabell	71,812	.60	.62	.58	.60
1	.09	.04	Grozelle	16,900	.07½	.07½	.06	.06
1	.12	.08	Grull Wihksne	......	(.10½ bid .12 asked)			
1	1.20	.75	Gunnar Gold	16,800	1.12	1.12	1.00	1.00
1	.10½	.02	Halcrow Swayze	184,100	.08	.10½	.07	.07
1	3.20	.30	Hard Rock	574,725	2.26	2.89	2.30	2.55
1	.18½	.07	Harker	76,900	.16	.16	.15	.15½
5	17.25	13.50	Hollinger	110,610	16.12	16.25	15.75	16.12
1	.93	.55	Howey Gold	49,500	.88	.89	.77	.78
No	28.25	22.87	Hudson Bay	3,375	26.00	26.25	24.75	25.50
1	14.25	11.00	Inter. Mining	......	(11.00 Apr. 28)			
1	4.50	4.10	Do., Pur. Warr.	......	(2.75 bid .... asked)			
No	54.00	43.50	Int. Nickel	11,393	46.75	47.12	45.12	46.87
1	.65	.28½	J. M. Cons. Gold	52,355	.62	.62	.56	.60
1	.65	.40	Kerr Lake	500	.45	.65	.60	.62½
1	1.15	.30	Kirk. Hud. Bay	40,050	.62	1.15	.60	1.10
1	.94	.40	Kirkland Lake	174,150	.78	.80	.65	.65
.	.10	.03½	Kirk. Premier	......	(.10 May 23)			
1	.31	.14½	Kirk. Townsite	20,100	.27	.29	.22	.24
No	.16½	.03	Lake Maron	1,133,200	.05½	.16½	.05½	.14½
1	60.00	51.75	Lake Shore	2,968	59.50	60.00	59.00	59.00
1	.19	.05	Lamaque Contact	76,500	.09½	.11½	.09	.11½
1	1.38	1.03	Lava Cap G.	18,650	1.33	1.35	1.27	1.30
1	.29½	.12	Lebel Oro	123,699	.23	.25	.22	.25
1	.06½	.02½	Lee Gold	58,300	.04½	.04½	.04	.04½
No	7.75	6.95	Little Long Lac	9,335	6.90	7.00	6.50	6.85
1	4.74	3.12	Macassa	91,415	4.05	4.65	4.05	4.60
1	.07	.01½	Malrobic	171,400	.04½	.05	.04	.04½
No	.33	.12	Mandy	3,800	.25	.24½	.22	.23
No	.25	.05½	Man. & Eastern	146,400	.23	.25	.21	.21
1	.26	.05½	Maple Leaf	23,800	.21½	.24	.19	.19
5	49.25	40.00	McIntyre	5,445	45.25	46.00	44.75	45.62
1	1.73	1.22	McKenzie R.L.	62,075	1.63	1.70	1.60	1.60
1	.65	.45	McKinley	30	.65	.63	.60	.60
.	5.00	3.90	McLeod Cockshutt	50,067	4.05	4.10	3.80	3.91
1	.14	.02	McMillan	90,400	.04½	.05	.04	.04
No	1.65	1.19	McWatters	78,235	1.41	1.53	1.38	1.44
1	.42	.21	McVittie	24,875	.27	.29	.25	.26
5	.75	.50	Mentor Exp. & Dev.		(1.50 bid .... asked)			
No	1.50	1.10	Mining Corp.	2,923	1.25	1.25	1.15	1.20
No	1.00	.07½	Minto Mines	14,800	.70	.78	.66	.75
1	.16	.06	Moffatt Hall	62,300	.13½	.14	.13	.14
1	.80	.58	Morris Kirk.	14,400	.63	.65	.60	.60
1	.33	.06½	Moneta	72,800	.26	.28	.24	.25½
1	.07½	.00½	Murphy	145,360	.06	.06½	.04⅞	.05
No	.04½	.02	Newbec	35,000	.03½	.03½	.03	.03½
1	.06½	.01½	Night-Hawk Penn.	31,700	.05	.05	.04	.04½
5	3.05	2.35	Nipissing	1,450	2.40	2.50	2.35	2.40
No	59.50	44.50	Noranda	15,829	46.75	59.50	56.75	59.50
No	.63	.28½	Nor. Canada	19,400	.60	.60	.55	.55
1	2.90	.34	O'Brien	140,591	2.55	2.70	2.35	2.48
1	.80	.40	Omega	106,041	.68	.80	.65	.78
1	.18	.07	Osisko	18,250	.14	.18	.14	.15
No	5.20	3.50	Pamour	53,907	4.95	4.95	4.50	4.55
1	.31½	.18½	Parkhill	24,800	.21	.21	.19	.18½
1	.10½	.02½	Pawnee Kirk	154,000	.07½	.09½	.06	.08½
1	1.20	.50½	Paymaster	184,707	1.08	1.12	1.00	1.06
1	1.20	.75	Pend Oreille	3,100	.75	.80	.75	.75
1	1.75	1.12	Perron Gold	22,400	1.50	1.50	1.38	1.39
1	.04⅞	.02	Peterson Cobalt	17,500	.02⅞	.03½	.02⅞	.03
1	6.90	3.95	Pickle Crow	20,313	6.45	6.55	6.00	6.45
1	12.00	9.00	Pioneer Gold B.C.	2,520	9.30	9.35	9.00	9.10
1	.15	.04	Porcupine Crown	83,200	.10	.10½	.09½	.09½
1	2.48	1.80	Premier Gold	4,834	2.42	2.47	2.36	2.38
1	2.05	.21	Preston E. Dome	533,360	1.58	1.90	1.56	1.84
No	3.25	2.10	Prospectors Air's	2,945	2.30	2.40	2.25	2.26
1	1.40	.75	Quebec Gold	34,300	.90	.90	.82	.82
1	.65	.40	Do., Rights	3,475	.60	.60	.45	.56
No	.07½	.02	Quemont	......	(.05½ bid .... asked)			
1	2.65	1.43	Read Authier	96,760	2.25	2.65	2.18	2.60
1	1.62	.50	Red Lake	80,400	1.58	1.59	1.45	1.46
1	1.35	1.00	Reno Gold	11,450	1.35	1.35	1.32	1.35
1	.13½	.01	Ritchie	183,200	.10½	.11	.09	.10
1	.09	.04	Robb Montbray	28,800	.05½	.05½	.04⅞	.05
1	.28	.05½	Roche Long Lac	84,200	.23	.24½	.20	.23
1	3.45	2.16	San Antonio	19,127	2.30	2.30	2.20	2.20
1	1.15	.75	Shawkey	65,495	1.05	1.05	.92	.92
50c.	.86	.56	Sheep Creek	8,400	.75	.74	.72	.74
1	1.40	1.00	Sherritt Gordon	28,754	1.09	1.09	1.02	1.04
1	3.68	2.88	Siscoe	75,745	3.45	3.68	3.40	3.63
1	.52	.42½	Sladen Malartic	23,450	.46	.47	.42½	.44
1	6.25	4.40	South Amer. Gold	900	4.85	4.65	4.65	4.65
No	.08½	.03½	South Tiblemont	112,950	.05½	.07	.05	.05½
No	.48½	.18½	Stadacona	157,345	.43	.44	.41	.41½
1	.38½	.18	St. Anthony	33,700	.26	.25½	.22	.23
No	4.95	3.00	Sudbury Basin	4,525	3.65	3.80	3.65	3.71
1	.19	.06	Sudbury Contact	20,200	.15½	.16	.14	.14
1	.07½	.03½	Sudbury Mines	174,500	.04½	.05½	.04½	.04½
1	1.41	.83	Sullivan Cons.	513,524	1.28	1.32	1.19	1.26
1	2.90	2.25	Sylvanite	15,885	2.65	2.70	2.60	2.65
1	.68	.28	Tashota	62,255	.54	.55	.50	.55
1	5.85	4.30	Teck Hughes	54,385	5.35	5.85	5.40	5.80
1	.73½	.37½	Thompson Cadillac	178,500	.61	.73½	.59	.71
1	.23	.02	Timiskaming	45,200	.12	.20	.12	.17
1	1.56	1.20	Toburn Gold	6,350	1.35	1.56	1.35	1.35
1	.44	.20	Towagmac	22,616	.37	.40	.35	.36
1	.40	.20	Treadwell	40	.40	.20	.20	.20
No	2.52	1.60	Ventures	17,425	1.92	1.95	1.82	1.85
No	1.35	1.00	Waite Amulet	1,764	1.11	1.12	1.02	1.02
50c	.21	.11	Wayside	798,774	.13	.14	.12½	.13
No	.05½	.03	White Eagle	201,900	.04½	.05½	.04	.04½
1	.10	.03	Wiltsey Coughlan	95,300	.09	.10	.07	.08½
1	.09	.04	Wood Kirkland	11,800	.08½	.08½	.06	.08½
No	9.00	7.55	Wright-Hargreaves	7,745	8.25	8.40	8.05	8.15
No	.71	.38	Ymir Girl	5,700	.58	.50	.48	.50

OIL STOCKS

Par Val.	Range 1936 High	Low	Company	Sales	Close June 1 (or last)	High for week	Low for week	Close June 8
No	.18½	.11	Acme Gas & Oil	10,800	.12	.12	.11	.11
1	.70	.40	Ajax	1,700	.46	.45	.40	.45
No	1.39	.70	Calgary & Ed.	300	1.01	1.00	1.00	1.00
1	.14	.05	Calmont	2,500	.09½	.10	.09	.10
No	.10½	.04	Common Pete		(.05½ bid .07 asked)			
No	.78	.40	Dalhousie	6,000	.45	.42	.40	.40
No	.13½	.06	East Crest	6,150	.08	.07½	.06½	.06½
No	.78	.35	Foothills	100	.40	.78	.78	.78
No	.18½	.13	High Sarcee		(.12½ bid .15 asked)			
No	1.46	.70	Home	9,726	1.08	1.12	1.00	1.02
1	.81	.11	Homestead O.&G.	99,150	.67	.65	.45½	.52
No	.14½	.08	Lowery	2,000	.08	.08⅞	.08⅞	.08⅞
No	.24	.12	Merland	2,800	.15	.15	.12	.15
5	.26	.14	Nordon	7,300	.18	.18	.16½	.17½
No	.07	.03	Oil Selections	5,500	.04	.05	.04½	.05
No	.15	.08	Olga Gas & Oil	41,600	.13	.13	.10	.10
1	.75	.52	Petrol Oil & Gas	1,644	.65	.65	.52	.52
No	39.50	26.25	Royalite	834	28.50	28.25	27.00	27.00
No	.10	.04	South West Pete		(.08 bid .12 asked)			
No	4.85	1.63	Texas Can	42,765	2.06	2.10	1.75	1.80

VANCOUVER STOCK EXCHANGE

(Transaction for Week to June 8)

Par Val.	Range 1936 High	Low	Company	Sales	Close June 1 (or last)	High for week	Low for week	Close June 8
25c	.00½	.00½	Bayview		(.00½ bid .01 asked)			
20c	.05	.02½	Beaver Silver		(.02½ bid .03 asked)			
25c	.01½	.01	Bluebird		(.00½ bid ... asked)			
No	8.55	5.60	Bralorne	8,797	8.50	8.55	8.10	8.40
1	.10	.02	Bridge River Cons	17,700	.07½	.08	.07½	.07½
50c	.25½	.08½	B.R.X. Gold	44,950	.15	.15½	.14	.14
50c	.18	.12½	B.R.Mountain Gold	3,600	.17	.18	.17½	.18
1	.54	.17½	B.C. Nickel	69,800	.34	.44	.34	.34
1	2.75	1.50	B.C. Silver	300	2.65	2.55	2.50	2.55
50c	.12	.04	Canadian Rand	24,900	.09½	.10½	.09½	.10½
1	1.60	1.15	Cariboo Gold	5,560	1.48	1.60	1.46	1.60
1	.30	.12½	Congress Gold	17,250	.22	.21½	.19	.20
25c	.00½	.00½	Cork Province		(.00½ bid ... asked)			
1	.04	.02½	Cotton Belt		(.02 bid .02½ asked)			
No	.03½	.01	Dalhousie Mines		(.01½ bid .02 asked)			
No	.36	.17	Dentonia	7,650	.18½	.19	.18	.18
No	.08½	.02	Dictator	34,900	.05½	.05½	.05	.05
1	.07	.03	Dunwell	120	.04½	.03	.03	.03
No	.09½	.03	Fairview Amal	5,500	.05½	.05½	.05	.05
50c	.55	.35	Fawn Mining	3,600	.53	.55	.50	.50
1	.18½	.03½	Federal Gold	13,400	.08½	.07½	.07½	.07½
1	.25	.20	George Copper		(... bid .25 asked)			
50c	.05½	.02½	George Enterprise	1,000	.04	.02½	.02½	.02½
1	.02½	.01½	Georgia River	1,100	.01½	.01½	.01½	.01½
50c	.02½	.01	Glacier Creek	4,000	.01½	.01	.01	.01
1	.24	.11	Golconda	200	.13	.13	.13	.13
50c	.54	.29	Gold Belt	38,500	.48	.53	.43	.49
50c	.18	.05	Gold Mountain	10,700	.11½	.12	.11	.12
50c	.04½	.02	Grandview	3,000	.02½	.03	.02½	.02½
No	.07½	.02	Grange Mines	12,000	.02½	.02⅞	.02½	.02½
1	.11	.07	Grull Wihksne	4,600	.09½	.10½	.09	.10½
No	.05½	.02½	Haida Gold	12,200	.04	.04	.03½	.04
50c	.32	.21	Hedley Amal	31,000	.21	.23½	.21	.22½
No	.05	.04	Hedley Sterling		(.04 Apr. 7)			
No	.08	.02	Home Gold	25,150	.04½	.04½	.04½	.04½
1	.02	.00½	Independence		(... bid .01 asked)			
1	.03	.02	Indian Mines	500	.02½	.02	.02	.02
50c	1.81	.95	Island Mountain	15,514	1.55	1.81	1.56	1.79
1	.21	.18	Inter'tl Coal		(.20 bid .21 asked)			
50c	.72	.30	Kootenay Belle	11,300	.58	.59	.57	.57
20c	.00⅞	.00½	Koot. Florence		(.00½ bid ... asked)			
25c	.00½	.00½	Kootenay King		(.00½ bid ... asked)			
25c	.00½	.00½	Lakeview		(.00½ bid ... asked)			
10c	.02½	.01½	Lucky Jim		(.02 bid ... asked)			
No	.14½	.04½	Mak Siccar	9,500	.05½	.05½	.05	.05
50c	.00½	.00½	Marmot Metals	3,000	.00½	.00½	.00½	.00½
1	.20	.12	McGillivray Creek		(.18 bid ... asked)			
50c	.14½	.06½	Meridian Min.	6,150	.08½	.09	.08	.08
No	.94	.07	Minto Mines	52,425	.69	.75	.66	.73½
No	.05	.02	Morning Star	27,400	.03½	.03½	.02½	.03
1	.01	.00½	Morton Woolsey		(.00½ bid .00½ asked)			
25c	.03½	.02	National Silver	3,000	.03½	.03½	.03½	.03½
50c	.15	.07½	Nicola	20,250	.10	.10½	.09½	.09½
50c	.05½	.02½	Noble Five	10,000	.03	.03	.02½	.03
No	.08	.02	Pilot Gold	43,200	.06½	.06½	.06	.06½
1	11.85	9.10	Pioneer Gold	2,970	9.40	9.25	9.10	9.10
50c	.07	.04	Porter Idaho	1,000	.04½	.04½	.04½	.04½
No	.01½	.00½	Premier Border	3,700	.01½	.01½	.01½	.01½
1	.02	.01	Quatsino Copper		(.01 bid .01½ asked)			
25c	.13½	.05	Quesnelle Quartz		(.06 bid .09 asked)			
50c	.05	.04½	Red Hawk G.	6,000	.....	.05	.04½	.04½
...	.09½	.05½	Reliance	32,700	.08	.08	.07½	.07½
1	.48	.26	Relief Arlington	1,300	.28	.28	.27	.27
No	.12	.05	Reeves McDonald		(.05 bid ... asked)			
1	1.38	1.00	Reno Gold	10,420	1.33	1.28	1.33	1.34
1	.15	.02	Reward Mining	40,500	.08½	.09	.07½	.08
1	.03	.01	Ruth Hope		(.01½ bid ... asked)			
1	.15	.08	Sally Mines	4,100	.12½	.12½	.12	.12
50c	.13½	.08	Salmon Gold	7,700	.09	.10½	.09	.10
50c	.78	.55	Sheep Creek	21,700	.76	.77	.73	.77
25c	.01½	.00½	Silvercrest	19,000	.00½	.00½	.00½	.00½
20c	.02½	.01	Silversmith	3,100	.01½	.01½	.01	.01½
50c	.00½	.00½	Snowflake		(.00½ bid ... asked)			
1	.54	.43	Standard Silver	500	.45	.48	.48	.48
10	24.25	18.75	Sunshine		(18.00 bid 18.75 asked)			
No	.24	.07½	Taylor Bridge	1,800	.10	.12	.10½	.12
1	.27	.07	Taylor Windfall	750	.14	.17	.17	.17
50c	.03½	.02	United Empire	3,000	.02½	.03½	.02	.02
No	1.61	.65	Vidette Gold	10,000	1.50	1.60	1.45	1.45
No	.08½	.00½	Viking Gold	37,700	.05½	.05½	.04	.04
No	.06½	.01	Waterloo Gold	11,000	.05½	.05½	.04½	.04½
50c	.01½	.00½	Waverley Tangier	12,500	.00½	.00½	.00½	.00½
50c	.20½	.11½	Wayside	17,700	.13	.13½	.12½	.13
20c	.01½	.01	Wellington	2,200	.01½	.01	.01	.01
1	.06½	.03	Whitewater		(.03½ bid .04 asked)			
No	.69	.42	Ymir Yankee Girl		(.54 bid .56½ asked)			

OIL STOCKS

Par Val.	Range 1936 High	Low	Company	Sales	Close June 1 (or last)	High for week	Low for week	Close June 8
1	.19	.09	Alta. Pac. Cons.	7,260	.16	.15	.14	.14
1	.15	.05	Amalgamated	6,000	.10	.10½	.09½	.10½
1	.05½	.02½	Anaconda	3,000	.03	.03½	.03½	.03½
No	.05	.02	Baltac		(... bid .03½ asked)			
1	.14½	.05	Crow's Nest	8,200	.09½	.13	.09½	.13
No	.05½	.03	Devenish		(.02½ bid .03½ asked)			
No	.12½	.05	Freehold		(.05 bid .07 asked)			
No	.08	.04½	Hargal		(... bid .06 asked)			
No	.18	.12	High Sarcee	200	.15	.14½	.14½	.14½
No	.02½	.01	Madison		(... bid .01½ asked)			
No	.25	.11½	Marjon Oil	8,450	.18	.20	.17½	.18
1	.08½	.05½	McD. Segur Ex.		(.05½ bid ... asked)			
1	.40	.20	McLeod	100	.30½	.27	.27	.27
No	.18½	.12	Mercury	3,000	.12	.12	.12	.12
No	.15	.08	Mill City Pete	1,000	.09	.09	.09	.09
1	.26	.20	Model		(.20 bid ... asked)			
No	.13	.04	Okalta	1,500	.06½	.06½	.06	.06½
No	.09½	.04½	Pacalta Oil	3,000	.06½	.06	.05½	.06
1	.83	.47	Ranchmen's	1,700	.52	.53	.50	.50
1	.27	.18	Spooner		(23 bid ... asked)			
No	.09½	.05½	United	1,600	.06	.06½	.05½	.05½
No	.10½	.05	Vanalta	2,600	.06½	.09½	.06	.06

Corporation Bonds

(Supplied by Toronto Bond Traders' Association)

June 9, 1936

	Int. Rate %	Due	Bid June 9	Asked June 9	Bid June 2
Public Utility Issues:					
Ass. Tel. & Tel.	5½	'55	85	88	..
‡Avalon 'Phone.	5½	'48	101	..	101
Beauharnois P.	5	'73	29	32	25
Do. L. H. & P.	5½	'73	87½	90½	81
*Bell T'phone	5	'55	114½	117½	114½
*Do.	5	'57	119½	122½	119½
†B. C. Power	5	'60	103½	106½	103
†Do.	5½	'60	105½	108½	105½
B. C. T'phone	5	'60	106½	109	106
†Calgary Power	5	'60	99	102	97
Do.	5	'64	95	..	92½
†Can. Nor. Pwr.	5	'64	103	106	103½
Dom. Gas & El.	6½	'53	91	94	90
*Gatineau Pr.	5	'56	96½	99½	96
*Do., A	6	'41	91	94½	91
*Do., B	6	'41	91	94	90
*Int'l. Hydro	6	'44	39	42	40
'Int'l. Pwr.	6	'57	95	98	95
Do.	6½	'57	98	101	98
†Maclaren-Que.	5½	'61	76	81	78
Maclaren-Que.	5½	'64	74	79	76
†Mtl. Island Pr.	5½	'57	104	107	104
†Mtl. L. & H. Pr.	3½	'56	102	105	..
Montl. Tram.	5	'41	101½	104½	101½
Do.	5	'55	83	86	83½
Nat'l. L. & P.	6	'49	97½	100½	96½
†N.S. L. & P.	5	'58	105½	108½	105½
†Ottawa Light	5	'57	107	110	106½
Ottawa Tract.	5½	'55	100	103	..
Ottawa Val. Pr.	5½	'70	..	..	74
†Power Corp.	4½	'59	95½	98½	94½
*Quebec Pr.	5	'68	104½	107½	105
Saguenay Pr.	4½	'66	100	103	..
†Shawinigan	4	'61	97½	100½	..
Do.	4½	'70	103	106	103
South. Can. Pr.	5	'55	105½	108½	105½
†United Secs.	5½	'52	83½	86½	83½
*Winnipeg Elec.	6	'54	81½	84½	81
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	45½	48½	43½
†Acadia Sugar	4½	'55	101	104	101
†Alta. P. Grain	6	'46	98	101	98
†Asbestos Corp.	5	'42	105	..	104
B. A. Oil	4	'45	104	107	104
Can. Biscuit	6½	'46	25	28	25
Can. Bread	6½	'41	108½	111½	108½
†Can. Cement	5½	'47	106	108½	105½
†Can. Paper	6	'45	102½	..	102½
‡Can. Ss. Lines	5	'43	102½	..	102½
Do.	6	'41	56	59	55½
†Can. Canners	6	'55	105	106	105
*Can. Int. Paper	6	'49	87	90	85
C. P. R.	3½	'51	95	97½	94½
Do.	4	'49	103½	106	103½
Do.	4½	'44	100	102½	100
Can. Rail & H.	6½	'51	62½	63½	62
†Can. Vickers	6	'47	88½	91½	88
Cons. Paper	5½	'41	39½	42½	34½
†Dom. Canners	6	'40	..	..	113½
†Dom. Tar	6	'49	104½	107½	104½
†Donnacona P.	5½	'48	73	78	71
†East. Dairies	6	'48	84½	87½	84½
†Fam. Players	6	'48	105½	107	105½
†Do.	6½	'48	105½	107	106
†Federal Grain	6	'49	100	103	100
Fraser Cos.●	6	'50	113	116	110½
†G. Steel Wares	6	'52	102	105	100½
Gt. Lakes Pwr.	5	'50	53	56	49
†Gypsum, Lime	5½	'48	96½	99½	96
Ham. Cottons	5½	'48	102½	105½	102½
Ham. B. P. C.	5	'50	97½	100½	97½
*Hind & Dauch	5½	'48	102½	105½	102½
Int. P. & P. N.	5	'68	103½	106½	103
Inter. City Bak.	5½	'48	103	..	103
Inter City W. B.	6½	'50	32	..	..
Kingston Elev.	6	'50	96	99	96
Lake St. John P. & P.	6½	'47	102½	105½	96½
Do.	6	'42	60	63	53
†Lon. Can. Inv.	6	'48	89	92	89
Maple Leaf M.	5½	'49	45½	48½	..
†Massey Harris	5	'47	88½	91½	88½
Industrial and Realty Issues:					
McColl-Front	6	'49	104½	107	104½
†Mercury Mills	5½	'53	59	63	60
M. & O. Paper	6	'45	32½	35½	30
Nat. Grocers	4	'36-47	100½	..	100½
Nor. Ont. Bldg.	6½	'39	96	100	96
Ontario Bldg.	6½	'43	..	..	30
Penmans	5½	'31	..	..	..
Price Bros. bds.	6	'43	124½	127	124½
*Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	94	98	94
*Reliance Grain	6	'48	103	106	103
Restigouche	6	'48	99½	102½	98
Rich. B. Bldg.	6½	'47	99	102	99
†Riordon Pulp	6	'42	104½	..	104½
Ritchie Cut Stone	6½	'48	94½	..	95
†Rolland Paper	5½	'48	105	..	104½
Ruddy & Co.	6½	'48	98½	101½	98½
†Simpsons Ltd.	6	'49	104½	107½	104½
†Smith, Howard	5½	'53	105½	108½	105
‡Steel of Can.	6	'40	113	116	113
Twin City Rapid Tr'sit.	5½	'52	81	84	81
United Amuse.	5	'46	98½	101½	98½
United Corp.	5	'53	94	98	93
Unit. Grain G.	5	'48	98	101	98
Do.	5½	'49	102	105	102
Union Gas	4½	'43-50	..	..	..
Zimmerknit	6	'51	99	102	99

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S. ●Unstamped.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

June 9, 1936

	Bid	Asked
INDUSTRIAL STOCKS:		
Acadia Sugar, com.	4.00	....
Do., pfd.	4.75	....
Acme Farmers Dairy, pfd.	37.00	40.00
Algoma Steel, new pfd.	....	80.00
Andian National	49.00	51.00
Assoc. Tel. & Tel., pfd.	40.00	45.00
B. C. Pulp & Paper, com.	.30	1.00
Do., pfd.	7.50	9.00
Burns & Co., "A"	9.50	10.00
Do., "B"	5.50	6.00
Canada & Dom. Sugar	58.00	60.00
Canada Paper, pfd.	109.00	116.00
Canada Starch, pfd.	93.00	97.00
Canada Tea, pfd.	35.00	....
Can. Tube, 1st pfd.	46.00	....
Can. Wire & Cable, pfd.	103.00	105.00
Can. Industries, A com.	218.00	....
Do., B com.	215.00	220.00
Do., pfd.	157.00	160.00
Can. Ingersoll Rand	....	118.00
Can. Power & P. Inv., pfd.	5.50	8.00
Can. Westinghouse	58.00	61.00
Chase, A. W., pfd. bonus	24.75	26.00
Conduits Nat. new com.	2.80	3.10
Dom. Found. & Steel, com. (New)	38.00	42.00
Do., pfd. (New)	89.50	94.00
Dom. Rubber, pfd.	99.00	101.00
Dunlop Tire, pfd.	70.00	....
East. Dairies, pfd.	11.25	13.75
Edmon. City Dairy, pfd.	60.50	....
Federal Grain, com.	1.50	3.00
Do., pfd.	58.00	....
Goderich Elevator	9.25	10.50
Greening Wire, pfd.	103.00	106.50
Guelph Carpet, pfd.	104.00	106.50
Do., com.	16.50	18.50
Highland Dairy, com.	2.25	3.00
Do., pfd.	74.00	78.50
Inter City Baking, com.	25.00	30.00
McLaren Power, com.	9.00	11.00
N. Meth. Laund., pfd. bonus	75.50	80.00
Ont. Tobacco Plant, pfd.	30.00	34.00
Prov. Paper, pfd.	102.00	103.50
Reliance Grain, pfd.	84.00	87.00
Rob. Consol. Cone	8.75	9.75
Ruddy, E. L., pfd.	38.00	41.00
Silverwood's Dairies, pfd.	43.50	46.00
Stand. Fuel, pfd. bonus	105.00	107.50
Supertest Petroleum, B pfd.	26.50	29.50
Toronto Carpet, pfd.	35.00	....
Toronto Housing	....	11.00
United Steel, A pfd.	6.00	6.50
West. Grain, pfd. bonus	....	18.50
Willards Chocolates, pfd.	15.00	....
TRUST & LOAN STOCKS:		
Chartered Trust	80.50	82.50
Guelph Ont. Inv. Savings	47.00	51.00
London & West. Trust	55.00	58.00
Premier Trust	....	....
Sterling Trust	36.50	....
Traders Fin., B pfd. bonus	81.00	86.00
Trusts & Guarantee	41.00	43.00
INSURANCE STOCKS:		
British America	44.00	47.00
Canada Life	528.00	540.00
Canadian Fire	76.00	80.00
Can. Ins. Shares	13.00	15.00
Confed. Life 20% pd.	117.00	121.00
Continental Life 20% pd.	35.00	40.00
Crown Life	120.00	....
Dominion Fire	117.00	....
Dominion Life 50% pd.	250.00	300.00
Dom. of Can. Gen.	117.00	123.00
Empire Life 25% pd.	7.00	9.00
Excelsior Life 30% pd.	69.00	72.00
Federal Fire 25% pd.	39.00	....
Fidelity Ins. of Can.	48.00	50.00
Great West Life	388.00	398.00
Guar. of N. A. fully pd.	240.00	....
Halifax Fire	21.25	22.00
Imperial Life	340.00	....
Manufacturers Life	260.00	268.00
Monarch Life 10% pd.	19.75	21.50
National Life 25% pd.	49.00	53.00
Sovereign Life 25% pd.	16.00	18.50
Sun Life	435.00	465.00
Toronto General	4.50	5.00
Western Assur., com.	45.00	47.00
Do., pfd.	41.00	45.00
THEATRE STOCKS:		
Allens Beach, pfd.	59.00	65.00
Do., Calgary, com.	5.50	7.00
Do., Kingston, pfd.	56.00	....
Do., Parkdale, pfd.	60.00	....
Do., Toronto, pfd. bonus c.	28.00	34.00
Eastern Theatres, com.	4.25	5.00
Do., pfd.	75.25	80.00
Loew's London, pfd.	2.75	3.50
Do., Toronto, pfd.	111.00	115.00
Mansf. Theatre, pfd.	30.00	....
Paramount Kitchener, pfd.	45.00	....
Do., Oshawa, pfd.	90.00	93.00
United Amusement, A	....	19.00
Do., B	15.25	17.00
INVESTMENT TRUST SHARES:		
Can. Gen. Invest.	7.75	8.00
Can. Investors Corp.	6.75	8.00
Can. Int. Inv. Trust Units	55.50	....
Cons. Div. St. Sec. Units	13.25	15.00
Debenture & Sec., pfd.	61.00	....
Dom. Scott. Inv. Units	32.00	35.50
For. Power Sec., pfd.	12.00	15.00
Invest. Found. Units	49.50	52.00
Sec. Holding Units	21.00	25.00
United Corpns. Ltd., A	22.00	23.50
Do., B	7.50	9.00
POWER ISSUES:		
Calgary Power, pfd.	77.00	79.50
Can. West. Nat. Gas, pfd.	93.00	95.50
Do., com.	22.00	24.00
Great Lakes Pwr., pfd.	89.00	92.50
Inter. Util., 7.00 pfd.	78.50	....
Nor. Ont. Power, pfd.	101.00	103.00
Nova Scotia L. & P., pfd.	101.00	103.00
Do., com.	83.00	86.00

Unlisted Mines

June 9, 1936

	Bid	Asked
Albany River	.75	.77
Adeen	.06½	.07
Ardeen	.20	.22
Area	.06	.07
Arrow Head	.36	.38
Athabaska	..	.33
Athona (Gt. B. L.)	.40	.45
Bailor	.06¼	.07
Bankfield Gold	.65	.68
Bidgood Kirkland	1.83	1.85
Big Master	.37	.40
Blue Star	.40	.43
Bosquet Gold	.12	.14
Big Long Lac	.10	.11
Callinan Flin Flon	.13	.14
Can. Kirkland	.03¼	.04
Capital Rouyn	.20	.22
Casey Contact	.06	.07
Casey Summit	.27	.30
Central Porcupine	.63	.66
Chromium	2.00	2.10
Coin Lake	.15½	.17
Columario	..	.05
Cripple Creek	.86	.89
Cuniptau	.32	.35
Darwin	.53	.57
Dunlop, new	.11	.12
Dorval Siscoe	.20	.22
East Malartic	.50	.53
Frontier R. Lake	.16	.18
Gilbec	.06	.07
Cillies Lake	.78	.82
Glenora	.34	.36
Gold Eagle	1.30	1.35
Goldside	.26	.28
Golden Crest	.24	.27
Golden Gate	.36	.39
Golden Rose	2.35	2.40
Gordon Lebel	.38	.41
Horseshoe	.08½	.07½
Hudson Patricia	.32	.34
Jellicoe	.21	.23
Johnson Nipigon	.07½	.08½
Kaw Crow	.25	.27
King Kirkland	.06½	.07½
Lafayette L. Lac	.05¼	.05¼
Lamaque Gold	5.90	6.10
Lapa Cadillac	.30	.32
Leitch Gold	.68	.72
Long Lac Lagoon	.11½	.13
Madsen Red L.	.54	.56
Manitoba Basin	.07	.08
Magnet Lake	..	.13
Martin Mc.	.48	.50
Matchewan Can.	..	.16
May Spiers	.38	.40
McCarthy Webb	.38	.40
Mosher	.50	.53
Moffatt Hall	.12	.14
Moffatt Hall (new)	.38	.42
Murmac	.15	.17
North Shores	.04	.04½
Oklend	.50	.52
O'Leary	.15½	.17
Opemiska	1.40	1.50
Oriole	.09	.10
Paulore	.30	.32
Porcupine Gold R.	.06½	.07
Proprietary M.	.50	.55
Queen Lebel	.11	.13
Ricard Ramour	.62	.65
Rice Lake	.09	.10
Rubec	.08	.08¾
Sand River	.38	.41
Skookum	.39	.42
Smelter Gold	.12	.13
South Keora	.19½	.21
Springer	.11	.13
Straw Lake	..	.15
Sturgeon R. Gold	..	.34
Wendigo	.14	.16
W. Red Lake	.08	.09
West Side L.	.14	.16
White Horse	.16	.17
Winoga	.35	.39
Young Davidson	.23	.25
Young Shannon	.19	.21

Listed Bonds

Week Ended June 8, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	51½	50
Mtl. Trams A	5	'55	83	...	87	83
McNish	6	'48	3.30	...	3.75	3.00

Mining Dividends

	Rate	Close June 8	Yield %
Anglo-Huronian	20c	5.10	..
Beattie Gold	†5c	1.23	..
Bralorne	10+5	8.40	..
Buff. Ankerite	20c	7.40	2.7
Bulolo Gold	‡$1.40	35.00	..
Cariboo	10c	1.60	6.2
Coniagas†	12½c	4.00	..
Dome Mines	$2+$2	59.00	6.8*
Falconbridge	30c	7.80	3.8
Hollinger	65c+15c	16.12	4.9*
Howey Gold	5c	.78	..
Hudson Bay	$1	25.50	..
Int. Coal & Coke‡	1c	.21	..
Inter. Mining	60c	11.00	5.4
Int. Nickel, c.	$1.20	46.87	2.5
Kirk. Lake‡	3c	.65	..
Lake Shore	$4	59.00	6.8
Macassa	15c	4.60	..
McIntyre	$2	45.62	4.4
McKenzie R. Lake	†3c	1.60	..
McKinley Sec.	2½c	.60	..
McWatters Gold†	5c	1.44	..
Nipissing	25c	2.40	..
Nor. Can. Mining	2c	.55	..
Noranda	‡$1.25	59.60	..
Pickle Crow	10c	6.45	..
Premier	12c+1c	2.38	5.4*
Pioneer, B.C.	80c	9.10	8.8
Reno	12c	1.35	8.9
San Antonio	21c	2.20	9.9
Siscoe	20c	3.63	5.5
So. Amer. Gold	30c	4.65	6.4
Sylvanite	20c	2.65	..
Teck-Hughes	40c+5c	5.80	7.7*
Toburn	8c	1.35	5.9
Ventures	†2½c	1.85	..
Wright-Har.	40c+20c	8.15	7.4*
Ymir Yankee	†2c	.50	..

‡Interim. †Initial. *Yield includes bonus.

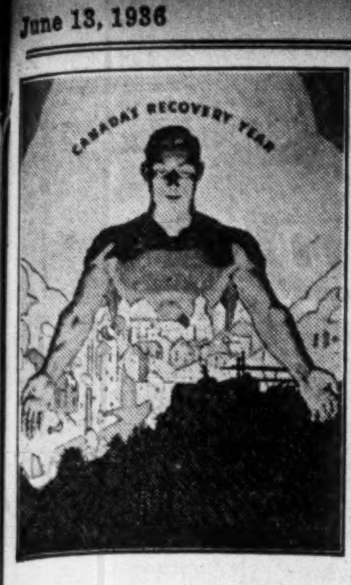
Winnipeg Stocks

(Transactions from June 1 to June 6)

	Sales	High for period	Low for period	Close May 30
Bailor Synd.	35	.60	.60	.60
Bailor Gold	13,800	.07	.06	.07
Cres. Cream., pfd.	2	33	33	33
Flin Flon	1,600	.20	.19½	.20
Gold Lake	32,234	.65	.46½	.55
Gurney Gold	600	.53	.50	.53
Cons. Goldfields	10,100	.12	.10	.12
Gt. Falls M. & S.	2,400	.10	.10	.10
Gt. West Life	1	395	395	395
Knee Lake	3,000	.04	.04	.04
Island Lake	22,400	.05½	.04	.05½
Lafayette	1,500	.06	.06	.06
Marvel Oils	2,000	.07	.07	.07
North Mtge.	10	2	2	2
Oxford Mines	100	.20	.20	.20
Optic Lake	55	2.10	2.00	2.00
Ore Grande	2,700	.11	.10	.10½
Packsack	1,200	.20	.19½	.20
Rice Lake	3,700	.09½	.08	.09½
Traders Bldg.	15	75	75	75
Scotia	3,000	.06	.05	.06
United Grain	4	13	13	13
Wingold	11,700	.07½	.06	.07
Wylie Dom.	4,100	.49½	.43	.45
Wallace Lake	3,000	.05	.04	.04

Stocks Not Traded in During Week	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, pref.	90	..
Home Invest.	24	..
Northern Trust	8	9½
West. Steel, pf.	6½	..
West. Breweries	..	1.90

*Stocks more active on other exchanges not included.



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In The Construction World

Flop in Housing Loans?

IT IS now quite apparent that the Dominion Housing Act is not going to change the picture of Canada overnight. Applications for housing loans have been flooding lending institutions, as repeated publicity has pointed out, but, on the other hand there has as yet been no flood of money actually coming from Ottawa.

Under the Act, a fund of approximately $50 millions for housing loans was created for 1936 development. Of this, the government planned to put up 20 per cent, the lending companies 60 per cent, with the remainder to come from the prospective builder. Up to the end of May only a fraction, scarcely one twenty-fifth of the total fund, has been used.

True, the main building season is only starting, but most of those persons who intend building this year must now be surely considering loan applications Unless some unexpected development takes place, not more than a moderate portion of the joint building fund is going to be used.

• • •

Modernization Money

THE slowness of actual loans indicates what The Financial Post and several building authorities have pointed out for some time, namely, that brand new construction is not the only need in Canada today. Indeed, until the present sluggish real estate market is able to digest more existing vacant property, there is a reluctance in many parts of Canada to accept new commitments. But this does not apply to modernization. Expansion in the housing field is almost inevitably preceded by very considerable improvements to older buildings. It now seems certain that if the funds set aside by the Dominion government are to be fully used, then some arrangement will have to be made for accommodating loans to modernize existing buildings as well as to provide for new construction.

(Details concerning the Dominion Housing Act to date will be found in another article on this page.)

• • •

Cellars Optional

IN MANY of the pre-fabricated houses appearing in United States, the cellar is either absent or optional. Formerly largely used for cool storage and heating accommodation, modern mechanical refrigerators and improved, condensed heating plants make basement insulation largely unnecessary. In the southern half of United States where winter heating is not much of a problem in any case, probably complete abandonment of the cellar is an economic step.

But so far, the argument hardly applies to Canada. Penetrating winter frosts here make a deep foundation wall necessary in almost every district of the country, and extending this to the full depth produces additional livable space at relatively slight additional expense. And certainly such extra space is welcomed by the average home owner.

• • •

But Very Useful

AFTER all, mankind still retains a good deal of the squirrel nature in his makeup. No matter how small the accumulation of little used household goods during the early years of home life, these have a most persistent habit of growing. Eventually, many such things find a temporary resting place in the cellar.

Then again, the removal of the modern refrigerator upstairs, and the condensation of the heating plant through improvement and possibly the elimination of coal as fuel, leave place for a recreation room of considerable proportions in the basement. In recent years, such rooms for adults as well as children have gained in popularity. They provide a solid footing for strenuous games and restrict the resulting noise. In rather cramped quarters, indeed, they practically add another living room.

More Gypsum

Indicating the greater activity in insulation and also in small residential building, gypsum production in Canada for the first three months of the current year amounted to slightly over 13,000 tons as compared with approximately 11,000 tons for the same period last year and slightly less for the first three months of 1934.

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SIGNS OF RECOVERY

Caught unfinished at the end of the 1929 boom, the Queen's Park Plaza, apartment hotel (right) and 80 Richmond St. West, office building, both in Toronto, stood empty and dark for five years. Last year the hotel was bought for $90,000 and has since been finished, while this week an offer of $185,000 has been accepted for the office building, which it is estimated will take over half a million dollars to complete at 23 stories. It will be air-conditioned.

Unfinished Skyscraper Bought for $185,000

Plans Under Way to Complete Toronto Victory Building

ADD AIR-CONDITIONING

Two grim reminders of the construction depression in Toronto are about to disappear.

An offer of $185,000 by A. W. Robertson Ltd., Toronto contractors, has been accepted for the unfinished Victory Bldg. at 80 Richmond St. West. The buyers plan to complete this office structure to 23 storeys and install air-conditioning. The other significant development is the apartment hotel, known as the Queen's Park Plaza, at the corner of Avenue Rd. and Bloor St. This, another unfinished structure, was purchased last year and is now nearing completion and gradually filling with tenants.

Projects of Boom

Both of these were projects of the late boom years. They were started before the bubble burst in 1929. Financing, according to present day standards, was extravagant, hopes likewise, and in each case only the shell was completed. For years they stood empty and dark, a scarecrow to anyone contemplating new construction of this kind in Toronto.

The ambitious Queen's Park Plaza was sold for $90,000 following a previous sale for taxes. After fees, taxes and legal expenses it was announced there would be nothing left for the holders of $1.4 millions in first and general mortgage bonds.

Half Million Spent

Recently there have been circulated persistent rumors that the Victory Building would also be completed. This was originally intended as a 26-story office building, just a little west of financial Bay Street.

When building operations were discontinued in November, 1929, the 19th story had been poured, and facing on the reinforced concrete completed from the fifth story to the fifteenth. Below that the special facing planned for the lower stories had hardly been started.

Of the authorized bond issue of $1.2 millions in March, 1929, nearly half or $546,800 had been issued up to the time construction halted. Taxes had been paid up to 1932 but since then have accumulated to the extent of approximately $22,000. To prevent a tax sale next spring, the 1933 taxes of $9,554.01 plus interest and bailiff's fees would have to be paid within a year. The property is under the supervision of the Royal Trust Co., which, it is understood, holds a considerable lien against it and is also trustee for the bondholders.

Offer $185,000

Recently A. R. Roberts, engineer, Harbor Commissioners Bldg., Toronto, made an offer of $150,000 in cash to the Royal Trust for the unfinished building.

Hardly had the court taken this into consideration when along came the $185,000 offer from the Robertson firm. This included $150,000 cash for the bondholders and $10,000 cash and a second mortgage of $25,000 for the lienholders. The courts have ordered acceptance of this offer if the option is exercised within 25 days from June 5.

Make Modern Building

The Financial Post understands it is the intention of the buyer to complete the building to 23 stories. This will produce about 100,000 square feet of rentable floor space. The original plans of stone and brick faced reinforced concrete will be followed but an important variation will be the installation of complete air-conditioning. This, it is stated, will be the first big air-conditioned, exclusively office building in Canada. Such is expected to be a big drawing card when the building is thrown open for tenants.

Is it a Bargain?

It is estimated that at least $500,000 will be required to complete the building as now planned. Concrete for four more stories will have to be poured, a roof put on, facing on 12 stories and all glazing. After that the whole interior will have to be finished and elevators installed. It is expected that the Robertson firm will handle the job itself but whether or not the building will then be offered for sale, is not announced.

In 1934 Toronto municipal authorities assessed the unfinished structure at about $183,000. Original value of the completed structure was placed as high as $1.9 millions though in the light of present day values this is generally considered much too high. Assuming that the structure can now be completed for a total outlay of $750,000, including the purchase price of the present skeleton, some real estate authorities at least claim that the buyers have secured a bargain. At the outside, they state, office rents since 1929 have not come down to anything like the same extent as has the estimated cost of completing this building.

Bondholders Out of Luck

Assuming that the present deal goes through, what will there be left for the bondholders? Practically nothing, is the general estimate.

On the unlisted market it is understood that Victory Building bonds have been peddled for about 5 cents on the dollar. That, apparently, is about all they are going to be worth, or perhaps a little less.

Taxes paid by the trustee and in arrears probably amount to over $40,000 and already there are registered liens of well over $100,000 with fine prospects of more coming out now that a sale is in the air.

Much Building For Vancouver

Each month sees Vancouver setting up new construction records. Value of total permits issued for May amounted to $452,000, as compared with less than half this amount for the same month a year ago. Permits totalled 334, as compared with 245.

For the first five months of the current year, value of total permits issued amounted to almost $2.7 millions, as compared with $824,000 for the corresponding period a year ago, and $533,000 for the first five months of 1934.

Residential construction accounted for more than half the total building in May.

Lethbridge Boom

Something in the nature of a minor housing boom has occurred in the Lethbridge Northern Irrigation area, where 150 new homes are being set up for beet workers. These are two room structures, 12 x 24 ft., and come in ready made sections so that they can be set up and taken down at will.

New Roads Help Colonists

During the fiscal year 1934 the Quebec Department of Colonization opened 109 miles of winter roads.

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Building Off In Big Cities

Vancouver and Smaller Centres Exception to Date

With the exception of Vancouver, where there is a large gain, building permits in most large Canadian cities for the first four months of 1936 show a considerable decline over the same period a year ago. In many of the smaller centres and the suburbs of large municipalities, however, there has been a general increase. This situation, of course, is largely attributed to the fact that most of the recent activity in the construction picture has been in the residential field. In the suburbs, naturally enough, there is more room for expansion.

In some of the smaller cities such as London, Hamilton and Ottawa, too, sharp changes from a year ago are the result of a falling off in large federal projects. In such places the erection of one big building and there were several such built by the Dominion Government last year as relief projects, would mean a big change in value of total permits awarded.

Building permits for the leading cities of Canada for the first four months of 1936 as compiled by MacLean Building Reports Ltd., are as follows:

Building Records

	1936 4 mos. $	1935 4 mos. $	1934 4 mos. $
Halifax	264,242	122,190	150,380
Sydney	12,650	5,450	1,550
St. John	15,811	35,636	73,710
Montreal	1,118,022	2,446,274	742,119
Quebec	90,555	125,040	147,035
Three Rivers	39,925	15,745	39,740
Westmount	88,428	43,380	111,440
Brantford	29,725	59,600	54,583
Fort William	33,475	23,800	54,850
Guelph	15,526	35,232	11,760
Hamilton	305,086	1,056,815	146,905
Kingston	39,535	24,764	32,854
Kitchener	48,922	86,332	55,228
London	118,025	1,221,467	134,370
Ottawa	312,675	1,740,130	225,560
Peterboro	49,905	15,285	32,315
Port Arthur	28,471	31,810	13,017
Stratford	7,000	9,961	12,508
St. Catharines	20,447	29,351	21,870
Sarnia	24,265	17,249	11,789
Toronto	1,477,154	3,008,629	1,256,368
York Townships: Forest Hill and Swansea	1,189,385	986,384	799,707
Windsor	162,361	144,790	43,500
Brandon	4,941	56,850	9,810
Winnipeg	160,450	1,911,200	99,900
Moose Jaw	10,450	31,705	57,825
Saskatoon	17,515	47,615	16,470
Regina	42,297	51,785	39,320
Calgary	279,240	360,619	224,647
Edmonton	439,225	312,514	83,555
N. Westminster	92,635	69,105	17,315
Vancouver	2,219,520	621,165	413,669
Victoria	187,480	121,787	84,721

May Generate Power From Waste Wood

Possibility of generating over a million horsepower daily from wood waste, found throughout British Columbia, is seen by J. Colosimo, president of Western Industries Ltd., New Westminster, B. C., says Canadian Machinery.

Mr. Colosimo is at present making arrangements to put into practice a process for manufacturing "gas" out of waste wood. Heavy trucks, buses, fishing boats and all manner of stationary engines will be the first to benefit, he states, and the time will come when automobiles will be designed to operate with the new fuel without affecting their stream lines.

Housing Fund Moves Slowly Into Building

Only 212 Government Loans Approved to End of May

HALF FOR ONTARIO

From Our Own Correspondent

OTTAWA.—Only a fraction of the Dominion Housing Act $10 millions fund for new building has been loaned to date. Officials of the Department of Finance, under which the act is administered, however, are confident that the greater part of the fund will be exhausted by the end of the current fiscal year.

But up to May 31, only 212 loans had been approved by Ottawa. This involved a total investment in new houses and apartment blocks by the Dominion and the lending companies combined of $1,513,916 or about double the figure up to Feb. 25, last.

The division of the 212 loans is as follows:

Province	No. of Loans	Total Amount $
Ontario	111	691,630
Quebec	93	788,726
Nova Scotia	6	26,860
P. E. I.	1	4,000
B. C.	1	2,700

Some Apartments

It is understood that the most recent figure includes some rather extensive apartment building, particularly in Montreal. This is borne out by the fact that while the total money actually loaned has doubled since the middle of February, the number of loans has not increased at quite the same pace, 113 against 212 to be exact.

However, officials state that the big rush of applications is just beginning and volume during June has been on a greater scale than earlier in the year.

The finance department, in giving the statistics last February broke down the totals into units representing various valuations of the buildings to be erected. This was not done in the later figures and the explanation, it seems, is that several large apartment buildings would run the cost per unit very high and indicate that the scheme was inuring to the benefit of a class in the community different from the one it was designed to serve. Later on figures will be issued on the former basis.

Little in West

The first Manitoba application was approved June 1, being a small home to be built at Winnipeg. There have been no approvals, nor applications sent in from the other provinces.

The total amount loaned to date—$1,513,916 — represents the investment by the Dominion and the lending companies combined. The scheme contemplated that individuals or companies desiring to build homes or apartment blocks would have the equivalent (property or cash) of 20 per cent of the total value. The Dominion contributes 20 per cent and the lending companies 60 per cent. All applications must pass through a lending company before coming to Ottawa.

75 Per Cent Mortgages

Experience to date indicates that the lending companies are putting up about 55 per cent of the loans, the Dominion 20 per cent and the builders 25 per cent. The total loans so far, therefore, represent 75 per cent of the total cost. Applying this percentage, the total value of the building so far approved under the scheme is $2,019,552 or some 4 per cent of the total sum of money available. This has been divided as follows: Individuals and companies, $504,638; lending companies, $605,568; Dominion government, $403,710. These are approximate figures.

Sees Big Future In Home Building

Elements Favorable Following Long-term British Revival

Chief activity in United States construction, usually a forerunner of Canada, continues to concentrate in residential building. There was a marked revival in this type during 1935, and still greater expansion is anticipated.

"We look with increasing optimism upon prospects for residential building because of the great shortage of modern homes now existent, because of the upturn of some 12 per cent in rents since 1934, and because of the revival of mortgage lending at relatively low rates of interest," states C. W. Young & Co. Inc., in a recent summary.

Elements Favorable

"For instance," continues the summary, "47 leading life insurance companies have made mortgage loans at the rate of approximately $3 millions a week in 1935, as compared with less than $700,000 a week in 1934. Furthermore, building costs, after a rise of some 25 per cent as a result of the N.R.A. codes, have been declining moderately. Building costs were far more out of line with the general price level three years ago than they are now."

This summary reports that approximately 70,000 dwelling units were built in United States in 1935, compared with some 330,000 in Great Britain, "or nearly five times as many homes in a country with less than 40 per cent the population of ours. And this is the third year of England's building boom. This gives an indication of the extent to which all building activity would, and we believe will, rise during the next several years."

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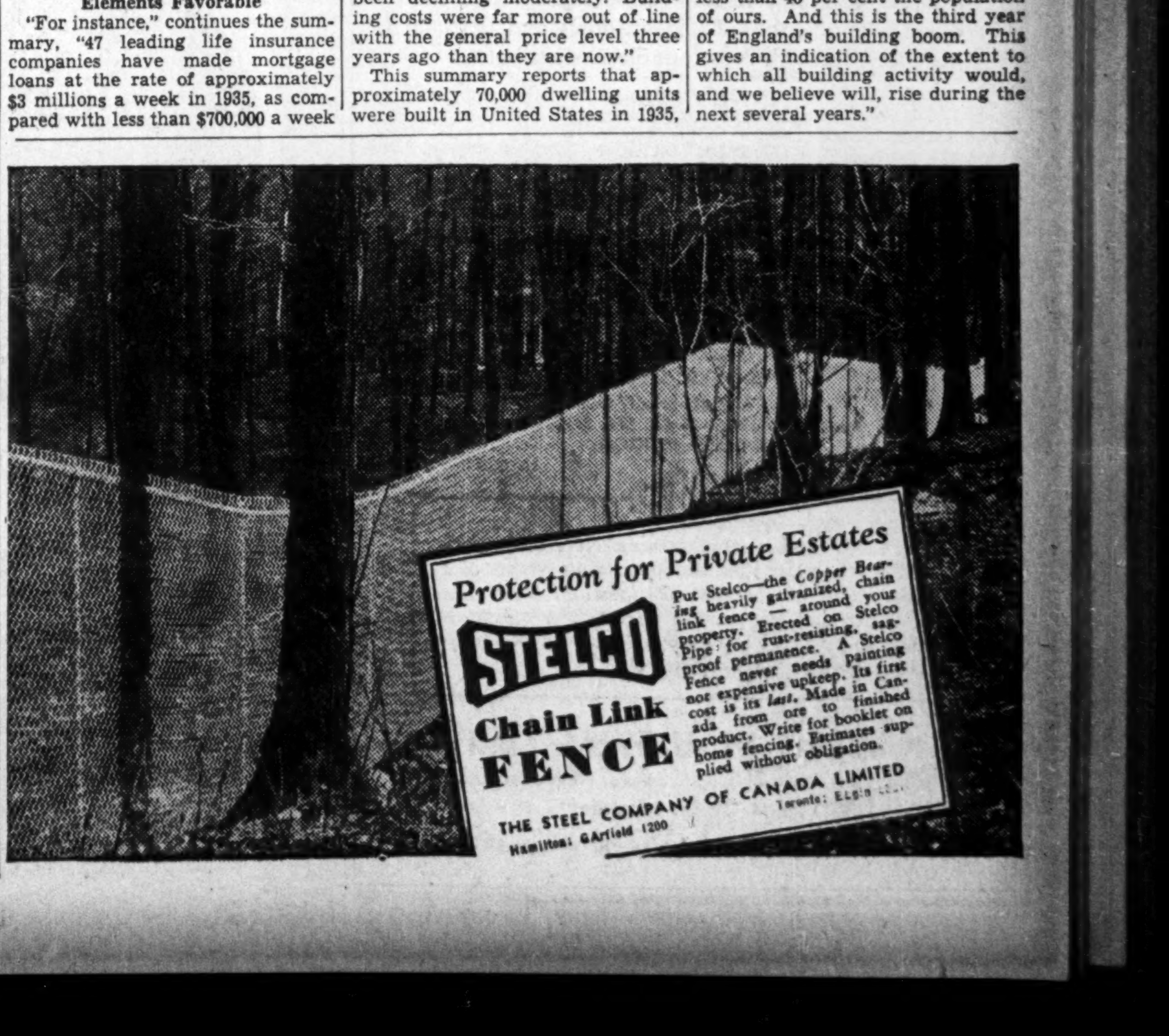

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Bank Chat

Central Bank Direction

AMENDMENTS to the Bank of Canada Act, by which the federal government will secure complete control over the central banking institution, have been warmly debated at Ottawa, and there is no longer any doubt of the sweeping nature of the plan by which the bank is virtually nationalized.

But so far as actual operations are concerned, the change from the existing position may be relatively slight. There has never, in fact, been more than a nominal private control of the bank, since the actions of its management have always been subject to the approval of the government-appointed governor.

The new status envisages a somewhat broadened scope of operations, however, under the undisputed control of government appointees who will be the governor, the deputy governor and six government appointed directors. There may be dissenting voices at the board room table over matters of policy, but no amount of vocal opposition can overcome the assured majority control which will follow the new legislation.

Shareholders, too, are in a somewhat different position under the new status, since their representatives on the board are the impotent minority, subject to the decision of directors representing the "Class B" stock, which in reality is the minister of finance. No change is indicated, however, in the 4½ per cent dividend rate.

* * *

Personal Loans Now

SO AT last it has come. The Bank of Commerce is extending its personal loan department to any employed resident of Toronto and Hamilton and if the scheme meets with success there it will be extended to cover the territory served by the bank.

Although the loans are discounted at a rate of 6 per cent, some contend that the effective rate, giving weight to monthly repayments over a year, is actually in the neighborhood of 12. Consequently, the margin under the rate charged by the finance companies is not as great as might be imagined.

The scheme is an extension of the personal loan service provided by the Canadian chartered banks in the past. These loans were granted to a relatively small clientèle, but customarily required no collateral backing. They were made chiefly to those whom the bank knew well and in whom it placed confidence.

* * *

Regina Shy Coppers

THERE is a penny shortage in Regina.

Where the copper coins disappear, Regina tellers are at a loss to say, but there is a steady drain in circulation. It is said between 50,000 and 100,000 pennies are passed out through the bank cages every week to residents of the Saskatchewan capital, but very few find their way back.

About a week ago, the Bank of Canada, supplier of the coins, ran low on stocks and until extra consignments arrived, bank officials were moaning about the shortage.

Apparently Regina has plenty of bargain sales—or slot machines.

* * *

Wandering Bill Back

THE Vancouver Sun's publicity dollar, which was sent rolling on its way a short time ago, has been recalled. The scheme, devised chiefly as a publicity stunt, attempted to keep track of the wanderings of a dollar bill by means of a chart pasted on the back. On this chart those who handled the bill were supposed to write their names and the goods for which the dollar had been received. As an incentive, a prize of $5 was offered to the person whose name was seventh last on the chart when the dollar was recalled.

In the eight days in which it was circulating the bill purchased $50 worth of goods and services. Travelling to several British Columbia municipalities, it was spent most often for meals, but other transactions covered a variety of articles ranging from room rent to B.V.D.'s.

Government Control Of Bank, Sweeping

Bank of Canada Operations to be Directed by Federal Appointees — Functions Broadened by Dunning Amendments

Government control of the Bank of Canada, through creation of additional Bank of Canada stock and its purchase by the government, will result in two major changes in the bank's constitution.

First, the issue of an additional $5.1 millions of capital stock, to be known as Class B, which will be purchased by the minister of finance on behalf of the Dominion government.

Second, the appointment of six new directors by the government, with sufficient voting power to give the government majority control of the board of directors and their policies, immediately and permanently.

Other changes of importance, including those affecting security holdings and disposition of profits, are contained in amendments to the Bank of Canada Act, introduced into parliament and by which the Bank of Canada in effect is nationalized. Minor changes, including introduction of bilingual banknotes bearing both English and French wording are also embodied in the new legislation.

Contending the fundamental function of any central bank is to control the volume of currency and credit in use, Finance Minister Dunning holds that this function is too important to be left under the control of private interests. A privately controlled central bank in conflict with the government and refusing to carry out government policies is conceivable, Mr. Dunning points out. But there will be no loophole permitting such a situation in the new status of the Bank of Canada.

It will be completely under the thumb of the federal government.

It is the intention of the government, however, to employ the bank to "mitigate by its influence fluctuations in the general level of production, trade, prices and employment."

To Protect The Dollar

The bank's purpose of controlling and protecting the external value of the Canadian dollar remains, and according to the minister of finance the scope of its effective influence in this respect will be widened under the new conditions of operation.

Changes in the bank's share capitalization will affect the position of shareholders, however, through the change of control effected on the board of directors. Private, or Class A shareholders, will have no controlling voice in the affairs of the bank. The relative voting strength of the two classes of shareholders will be divided on the board of directors as follows:

	Government	Private Shareholders
1936-37	14	7
1937-38	14	7
1938-39	14	6
1939-40	14	4
1940-41 and thereafter	8	3

Class B, or the government, will not have power to elect directors as in the case of Class A shareholders. Instead, the Class B stock will appoint 6 directors who will have 2 votes each as long as it is necessary for them to maintain a majority by this means over the Class A or private shareholders. Otherwise the shares rank equally.

The net result is that the 12 votes of the 6 Government directors, plus the single votes of the governor and deputy governor of the bank, will give an immediate 14 to 7 majority on the board, as shown above.

After 1940 the government appointment directors will have only one vote, as in the case of the governor and deputy governor, thus giving an 8 to 3 voting majority for the government or a clear 6 to 3 majority over the two officials and the Class A representatives.

Security Holdings

A restriction placed on security holdings is also embodied in the new status of the bank.

At present, it may buy and sell securities issued by the United Kingdom and the U. S. having a maturity 6 months from date of acquisition by the bank, but holdings of these are restricted to not more than one-half of the amount of the paid-up capital.

A further amendment to the Bank of Canada Act provides, however, that the bank cannot in future hold at any one time such securities of a par value in excess of 25 per cent of the bank's paid-up capital.

Dominion or provincial Canadian securities, with maturity 2 years from date of acquisition, may not be held, at par value, in excess of 50 per cent of the bank's outstanding note issue and deposit liabilities under the terms of the amendments, nor may the bank hold such securities maturing more than 10 years from date of acquisition, at par value, in excess of three times the amount of the paid-up capital and rest fund of the bank.

This latter provision is an enlargement of the bank's power to hold securities with a maturity in excess of 2 years, partly arising from disposition of securities previously transferred to the bank, and partly because during the next 10 years the chartered banks will lose the right to issue approximately $100 millions of bank notes.

The Bank of Canada's note issue will be expanded correspondingly and, the bank must therefore acquire an additional $100 millions in assets as an offset.

The intention is, that in view of the scarcity of short term securities, it is advisable to avoid restricting the bank to securities maturing within two years.

Profit Distribution

Profits of the bank are also disposed of by a new method. At present if the rest fund is less than the paid-up capital, one-third of such surplus is allocated to rest fund and the balance is paid to the receiver-general. This is changed to apply when the rest fund is less than one-half of the paid-up capital, and other distribution is made correspondingly if the rest fund is less than paid-up capital but not less than one-half, in which case one-tenth is allocated to rest fund and the balance to the receiver-general.

If rest fund is not less than paid-up capital, the whole of the surplus goes to the receiver-general.

Dividends of 4½ per cent on paid-up capital remain the same.

Foreign Exchange

Exchange markets last week were featured by strengthening of the gold bloc currencies. Despite industrial and political developments the French franc showed firmness against the dollar, and Dutch and Swiss currencies followed suit.

Opinion is growing that devaluation in France is inevitable and the first steps in that direction are anticipated in the near future, perhaps through exchange restriction or control.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	* Par $	June 2	June 3	June 4	June 5	June 6	June 8
U. S. dollar, High	.5906	1.00 1/16	1.00 1/16	1.00 11/32	1.00 11/32	1.00 1/16	1.00 1/8
Low	.5906	1.00¼	1.00¼	1.00 1/16	1.00⅜	.....	.....
1935, High	.5906	0.99 1/32	.....	0.99 11/32	1.00 1/32	1.00 1/32	1.00 1/16
Low	.5906	.....	.....	.....	.....	.....	.....
U. K. pound	4.8665	5.01½	5.03⅝	5.04	5.03¼	5.02⅝	5.01½
Argentina	.4246	.2790	.....	.2797	.2800	.....	.2785
Australia	4.8665	4.0047	4.0295	4.0245	4.0175	4.0162	4.0047
Austria	.1407	.1884	.1884	.1888	.1887	.1886	.1889
Belgium	.1392	.1696¼	.1696¼	.1697¼	.1698	.1698¼	.1698¼
Brazil	.1963	.0571¾	.0576¾	.0577½	.0577	.0576¾	.0576¾
Czechoslov.	.0296	.0415	.0415	.0415¼	.0415	.0415	.0415¾
Denmark	.2680	.2239	.2250	.2251⅝	.2247½	.2247	.2240
France	.0392	.0660½	.0660½	.0661¼	.0660⅝	.0660½	.0661½
Germany	.2382	.4038½	.4038½	.4043½	.4043	.4040½	.4042½
Greece	.013	.0093¾	.0093¾	.0093¾	.0093¾	.0093¾	.0094
Holland	.4020	.6777	.6777	.6785½	.6782¼	.6780	.6786
Hungary	.1749	.1986	.1986	.1988½	.1997½	.1996	.2001
India	.3650	.3818	.3822	.3859	.3837	.3828	.3812
Japan	.4985	.2944	.2949	.2953	.2951	.2949	.2949
Jugoslavia	.1929	.0230¼	.0230¼	.0230½	.0230¼	.0230¼	.0231¼
New Zealand	4.8665	4.0451	4.0619	4.0640	4.0580	4.0567	4.0450
Norway	.2680	.2521	.2532	.2535	.2529½	.2529½	.2521
Poland	.1122	.1889	.1887	.1890	.1892	.1891	.1895
South Africa	4.8666	4.9908	.....	5.0154	5.0067	5.0051	4.9907
Spain	.1929	.1369	.1368¼	.1370½	.1369½	.1368½	.1371¾
Sweden	.2680	.2587	.2598	.2601	.2595½	.2596	.2587
Switzerland	.1930	.3241	.3241	.3244	.3242	.3240	.3250
Hong Kong	.5422	.3245	.3240	.3254	.3252	.3245	.3235

Bank of Canada Weekly Statement

Balance sheet changes in the Bank of Canada statement for the week ended June 3 were relatively small. The largest was a decrease of almost $3 millions in chartered bank deposits. Advances, at $3 millions, are up $1 million over the previous week, but short term government securities dropped $1.4 million.

Balance Sheet

	June 3	May 27
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	93,805,625	93,169,413
Rest fund	173,092	173,092
Dep. Dominion	24,919,361	27,803,899
Banks	184,977,764	183,639,301
Other	1,615,231	869,050
Total deposits	211,512,356	212,312,250
All other liabs.	2,239,620	1,639,272
Total liabs.	312,730,693	312,294,027
Assets		
Reserve: Gold	179,938,561	179,788,359
Silver bullion	1,696,551	1,682,678
Res. in sterling ..	213,245	1,222,923
Res. in U. S.	14,226,872	13,370,176
Res. elsewhere ...	5,874	6,432
Total reserve	196,083,103	196,070,568
Subsidiary coin ...	291,449	322,756
Advances	3,000,000	2,000,000
Investments:		
Dom. govt. short.	29,115,966	30,580,905
Other Dom. govt.	80,101,339	80,270,059
Total invest.	109,217,305	110,850,964
Premises	206,330	208,522
All other assets ...	3,932,506	2,841,217
Total assets	312,730,693	312,294,027
Reserve ratio	64.22%	64.18%

Staff Changes

The Royal Bank has made the following changes in staff:

R. H. JOHNSON, formerly manager at Plymouth, Montserrat, to be manager at New Amsterdam, B.G.

J. E. I. COULOMBE, formerly manager at LaSalle, to be manager at Plantagenet.

D. S. CROSBY, formerly at supervisor's department, Halifax, to be manager Gottingen St., Halifax.

J. E. CARRIERE, formerly manager at Plantagenet and C. E. JUBIEN, formerly manager at Gottingen St., Halifax, retire on pension.

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Buy a box of 10 . . .
Smoke Three

. . . if they do not satisfy you, return the original box with the remaining seven to us any time before September 1st, 1936, and we will refund to you the full purchase price.

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Ammonia Distributors: W. Clayton Construction Co., St. John's.
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SALT DIVISION
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"DOMINION" AMMUNITION DIVISION
EXPLOSIVES DIVISION
"FABRIKOID" DIVISION
PAINT & VARNISH DIVISION
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FERTILIZER DIVISION

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PAP 74

PROTECT OUR FORESTS . . . Here demon fire is at his work. It isn't only smoke you see, it's dollars going up in the air. This fire occurred in British Columbia and meant a big loss, not only to the people of that Province but to all Canadians. Be careful with fire in the woods!

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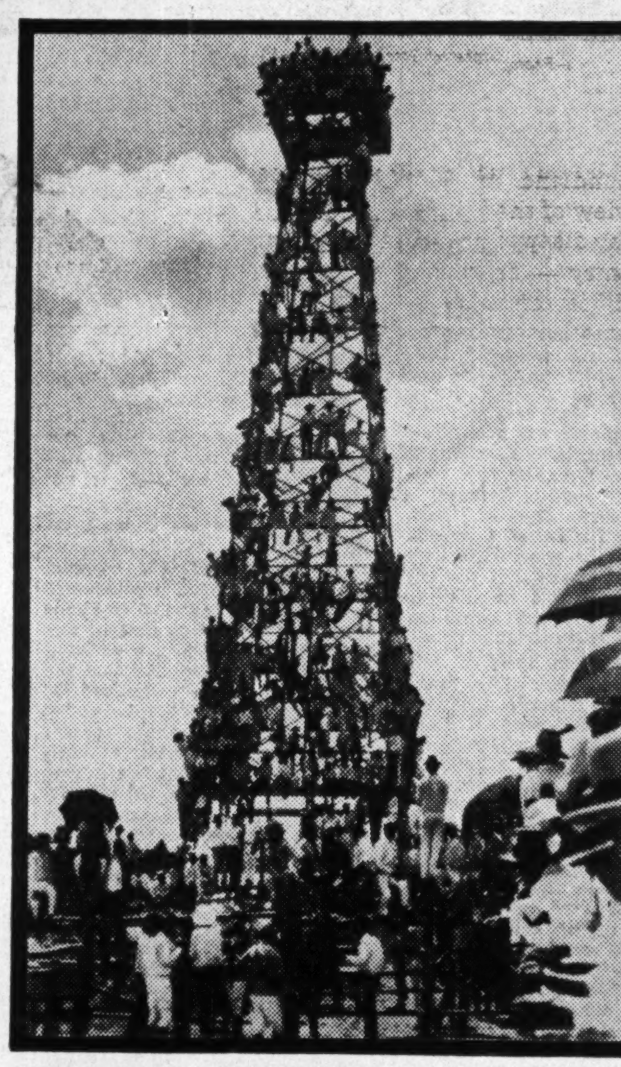

FIESTA FESTOON . . . (left) This oil derrick (in Colombia, South America) is festooned with human beings who are watching a football game on the sports grounds at a Colombian oil camp operated by Imperial Oil interests. The fiestas (national holidays) are now featured by football to which the Colombians have taken a great fancy. Other week-days players and spectators work at producing oil.

OVER THE TOP . . . (below) A few minutes before this photo was taken the look-out on the sealing ship spotted seals on the ice. Now the sealers are climbing overboard to make their catch. Sealing is only one of the many industries that look to Imperial Oil for dependable supplies of quality fuel and petroleum.

FARMING IN A BIG WAY . . . (below) Farmers like Imperial Oil products. One Alberta farmer, who for years has used only Marvelube Oil in his tractor, decided that the eight-year-old machine would need new pistons and cylinder sleeves, but when the machine was taken down it needed only new piston rings. "I honestly think your Marvelube has had a great deal to do with the life and performance of this tractor," he wrote.

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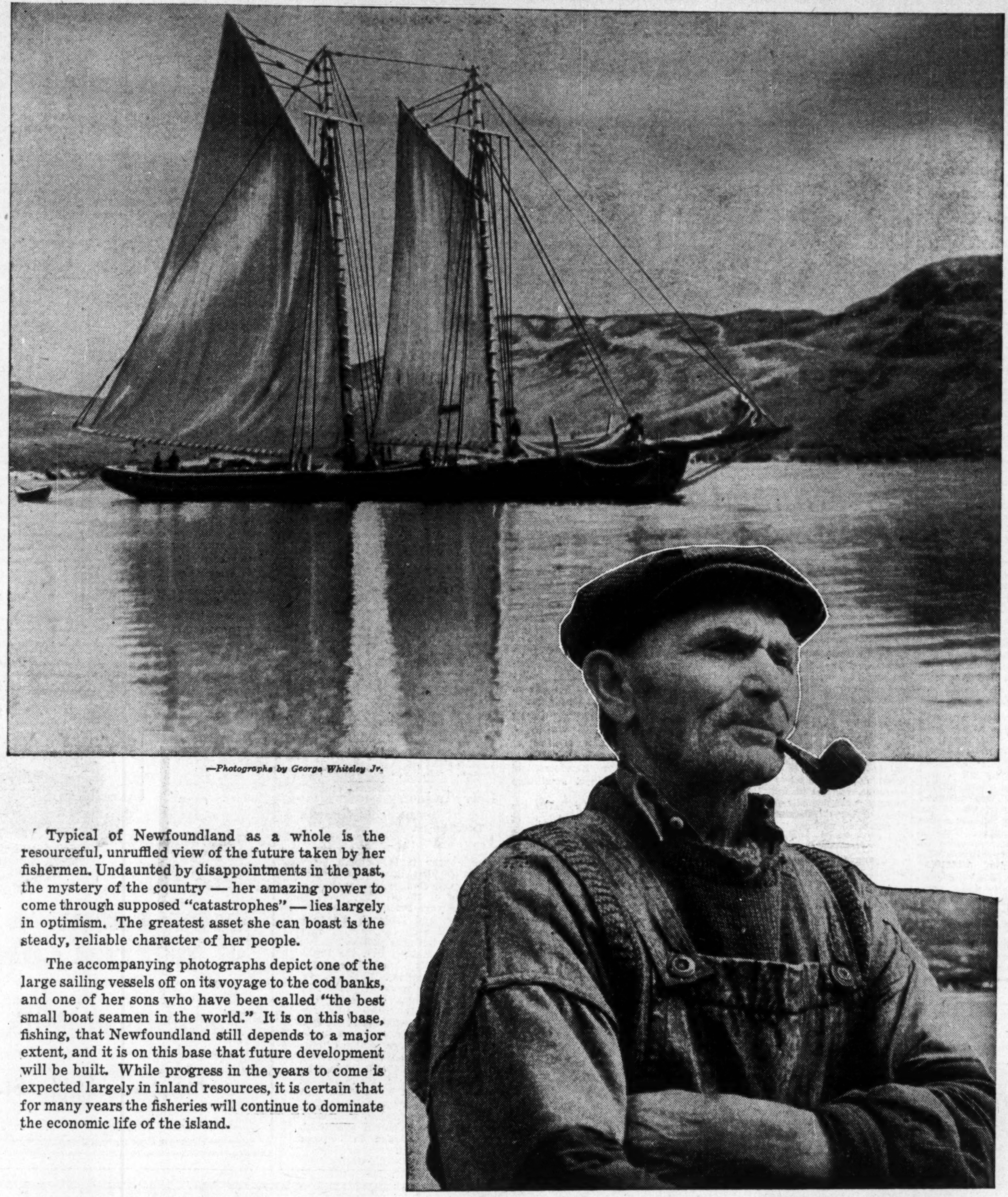
Newfoundland Looks Forward

Commission Government Comes to Grips with Major Problems and Builds Framework for a Brighter Future



—Photographs by George Whiteley Jr.

Typical of Newfoundland as a whole is the resourceful, unruffled view of the future taken by her fishermen. Undaunted by disappointments in the past, the mystery of the country — her amazing power to come through supposed "catastrophes" — lies largely in optimism. The greatest asset she can boast is the steady, reliable character of her people.

The accompanying photographs depict one of the large sailing vessels off on its voyage to the cod banks, and one of her sons who have been called "the best small boat seamen in the world." It is on this base, fishing, that Newfoundland still depends to a major extent, and it is on this base that future development will be built. While progress in the years to come is expected largely in inland resources, it is certain that for many years the fisheries will continue to dominate the economic life of the island.

By SCOTT FYFE

NEWFOUNDLAND is building for the future.

Convinced that the sea, which has been the economic mainstay of the country for upward of three centuries can no longer adequately support those now dependent upon it, she is looking inland in an endeavor to widen the base of her industrial structure. Probably at no time in the island's history has such a comprehensive development of her latent natural resources been planned.

This is not to say that the importance of the fisheries is underestimated. Every Newfoundlander—including the government—is certain that fishing will continue to be the dominating industry, not in value of output but rather in the sense of being the one which employs most people.

Any who may have been sceptical were given an object lesson last year. Despite capacity operation of the huge paper mills, despite substantial improvement in mining, despite better conditions in nearly every other industry, an unsatisfactory fishing season led to a disappointing year.

But conditions certainly were and are not in the abysmal depths pictured by some of those in the fishery. Neither are they as rosy as a visit to the newsprint and mining areas might indicate. There has been a tendency to keep the perspective too narrow. The real situation lies between the two extremes, probably verging to the industrialist's viewpoint.

The outcome of 1935, in keeping with the universal custom of attributing depressed times to the government in power, aroused some criticism of the commission of government. In some measure this was understandable in view of the excessive optimism of the period immediately subsequent to its appointment. It is rather surprising, however, that practically no criticism has been directed at the form of government. It might have been expected that a country, accustomed to self-government, would be irked by commission rule and would accept the pretext of less favorable conditions to clamor for a return of the old system.

• • • •

Commissions To Continue

ALMOST unanimously, Newfoundlanders agree that the present status is with the country to stay for a good few years. And most feel that it is undoubtedly in the best interests of the island as a whole. Some suggest that Newfoundlanders be given a greater voice in matters of policy, possibly through the medium of an advisory council. They point out that when the commission has made mistakes —and even the government will admit that mistakes have been made—they have arisen largely through failure to understand properly the psychology of the people. Unfortunately, there are practical difficulties, not the least of which would probably be a shifting of blame for blunders from one body to the other, to be overcome before this can be considered really feasible.

Much of the criticism of the government has been unjust. Much may be dismissed as merely the reaction of distressed folk giving vent to disappointment that things have not turned out as they wished. After all, Newfoundland's troubles are world troubles. Dislocation of foreign markets cannot be laid at the doorstep of any agency in Newfoundland. It is a problem which limits initiative.

Changes in Personnel

The term of the government is nearing an end. Appointed in 1934, this first commission technically completes its service early next year. Thus far, only one change has been made—recently J. Alex. Winter was named commissioner for education, succeeding the late Hon. F. C. Alderdice. Sir John Hope Simpson's retirement has been announced, however, and it is not unlikely that other changes may be made before the duration of the full term.

The necessity of naming new commissioners, particularly those from the mother country, appears to be the major weakness of the present form of government. It means replacement of men who have gained an intimate knowledge of the problems confronting the colony by those who will have to undergo an education into not only the problems but also the characteristics of the Newfoundlanders.

On the whole, the present commission may be proud of its stewardship. It has made some mistakes, but in view of the innovations made these have been amazingly few. Some amendment in the form of government, perhaps expansion of personnel, perhaps a change in the term for which commissioners are appointed, may have to be made in the future. At present, the government is equally divided between English and Newfoundland members. This has been the first commission government, and some lessons have undoubtedly been learned since it took over the reins of government.

Most informed criticism has centred about what has been termed the lack of an adequate economic policy. The commission was established with two main purposes: To find some way out of the morass in which the country was struggling, and to reorganize the civil service.

Reorganize Civil Service

The second purpose has been completed first. An excellent job has been made of civil service reorganization at relatively little cost. Civil service is no greater charge on the country than it was in 1931.

The complaint is that the government has been so occupied with this work that it has neglected—until recent months—the more important function of economic rehabilitation.

To this viewpoint the government offers rebuttal. It contends that as much stress has been laid on the economic problems but that the very nature of these is such that results are not quickly apparent. Moreover, it asks the pertinent question: "Is not a reorganized civil service a necessary forerunner to successful completion of any rehabilitation scheme?"

After all, two or even three years is an extremely short time in which to view the outcome of an entirely revised system. Policies of the government have been designed chiefly as a long range policy. Immediate measures have been taken to deal as far as possible with problems of pressing importance. But on the whole, and rightly, the commission has been concerned with laying the foundation for future development.

• • • •

Reorganizing Fisheries

ALMOST unheralded, there has been a definite trend away from the fisheries since the beginning of the century. In the past 25 years the proportion of the island's population which depends on the fisheries has shrunk from more than 60 to less than 40 per cent. It is contended that the fisheries are over-manned even now, and that alternative employment must be found for fishermen who with their families number between 30,000 and 40,000. The way out, the government is thoroughly convinced, lies in complete reorganization of the fishery itself, and in development of forest, agricultural and mineral wealth.

The domestic situation in respect to the fishery is definitely improved. In April a Newfoundland Fisheries Board was created with arbitrary powers to regulate marketing of the entire catch. Welcomed by the trade generally as a means of putting an end to cut-throat competition, which in the all too immediate past has served to further disrupt already disorganized markets, it is believed the board will soon extend its activities to include more rigid inspection and grading. The measure of success which rewards its efforts, however, appears to hinge largely on the degree of co-operation between the three vitally interested parties: The government; the three members of the board; and the advisory council of nine exporters who will give the board the benefit of their experience.

Market Prospects Uncertain

Since the beginning of the current year, the fishery has been convalescing very nicely. The cod situation has shown surprising improvement, with the large carryover almost entirely dissipated, due largely to a short catch in Iceland. A successful seal fishery has also revived confidence to some extent. Those dependent on the fishery have one factor definitely in their favor. When a bad year is experienced, losses are taken and a fresh start made the following season. No surplus is carried forward to depress prices.

Even so, however, prospects for the fishery cannot be viewed as particularly promising. The government has discontinued guaranteeing supplies, and a number of supply houses were loath to outfit fishermen this spring, in view of another year beset with marketing difficulties. Consequently, a smaller catch is probable.

Any improvement in international conditions would react favorably for the fishermen, for their problems have developed largely outside the country. Imposing of sanctions against Italy in September cost the better part of $1 million, and exchange restrictions and quotas in other lands further aggravated the situation.

• • • •

Look to Farming, Mining

IN TURNING to development of agriculture, the government harbors no delusions that Newfoundland will ever become essentially an agricultural country. All the money in the country could not divert the Arctic current which blights her produce. Nevertheless farming can be developed far beyond its present stage.

A policy to encourage and extend subsistence farming has been adopted. Most fishermen have a small plot of ground under cultivation, and it is believed that by concentrating on this type of production, showing the occupants how to raise profitably more of a better quality product, a more balanced structure may evolve and a portion of the extremely high-priced imports of farm produce from abroad may be obviated.

The land settlement project at Markland is another problem. Originally begun as a philanthropic venture, the experiment has assumed such proportions that it is bound to affect the economic future of the country. Either it will be a way out of many of the difficulties—an enormous benefit—or it will prove a failure on a grand scale. As yet it is too early to venture an opinion. In operation only two years, the fertility of the soil on which point the practicability of the entire project rests, has neither been proven nor disproven.

The government apparently has supreme faith in the outcome, for two similar experiments are under way and two more are planned for this summer. More than $300,000 has been ploughed into land settlement schemes. If they are successful, expenditure of ten times that amount will have been justified.

Promoting Surveys

The island is at last beginning to take stock of her mining resources. Operations now in progress should indicate whether or not commercial development is possible. Existence of various minerals in Newfoundland has been well known for years, but relatively little has been done about it. Exploration has been limited. Lack of adequate capital and some unreliable reports have been largely responsible.

Last year, however, the value of mineral production soared 65 per cent, and indications point to a further advance in 1936. Six geological parties, sponsored by the government and headed for the most part by prominent United States university geologists, are now in the field in an endeavor to prove more definitely the existence and commercial development possibilities of ore bodies. Occurrence of fluorspar, molybdenite, talc, gold, garnet and several other minerals will be investigated.

While the government is promoting this survey, it has no intention of embarking upon a career in the mining industry. The purpose is to carry exploration to the point where outside capital will be interested. In other words, since investors and mining concerns are dubious of the existence of ore in sufficient quantities to make exploitation feasible, the government has taken the attitude "We'll show you."

In addition to this programme, a considerable volume of exploration work will be done by private interests. Commercial existence of sulphur in old copper workings is being thoroughly probed and keen interest is evident in molybdenite and gold prospects.

• • • •

After Timber Market

THE third main avenue of potential development is lumbering. Operations last season were on a somewhat reduced scale, a favorable outcome for operators in that domestic prices were strengthened. Exports of pit props continue to give evidence of a healthy future, and hopes are maintained in some quarters that a trade in lumber may develop. Investigation of prospects along this line is in progress.

Production from Crown lands is being organized, and various experiments are being effected by the government to increase the efficiency of forest operations. Conservation activities have also been to the fore in an attempt to curtail wholesale destruction of timber.

In value of production, newsprint tops all Newfoundland industries and its continued successful development is one of the brightest spots on the industrial horizon. Winter shipping facilities are making their contribution to its further progress.

Newfoundland and Labrador constitute one of the richest remaining sources of pulp timber, with resources estimated at about 100,000,000 cords. A contract for export of some of this to an English concern is at present under consideration, which if completed would entail permanent employment over the next ten years of some 500 men.

Tourists Wanted

Of the many smaller scale projects which the government has in view as possible alternative sources of employment and income, two in particular are worthy of mention. With about 80 per cent of the island eminently suited to animal culture, introduction of fur farming is definitely on the books.

The second industry is one which deserves a much greater measure of success than it has thus far attained. Other countries have reaped rich harvests from tourist trade, whereas Newfoundland, with attractions galore, has been backward in its development. Staunch support is being given through additional publicity and widened facilities abroad.

IN THE very near future lurk two decisions which may prove of exceptional import. At present they are still in the "negotiation" stage, but prospects are regarded by the government as most promising.

The first is a revival of interest in a third paper mill. For a number of years negotiations have spasmodically been carried on for exploitation of the Gander timber areas, perhaps the richest pulpwood section on the island. On the east coast and slightly to the north, development of the properties would be of exceptional value to the country at large. Commissioner of Public Utilities Thomas Lodge has recently returned from a prolonged visit in England, the chief purpose of which is understood to have been this new newsprint project. Although no decision has been announced, Mr. Lodge was recently reported to be most optimistic, and in the opinion of his fellow commissioners Mr. Lodge is a "most conservative man."

The probability of Newfoundland being selected as a base for the proposed transatlantic air service is also fraught with important possibilities. An airport will be built this summer at Cobbs Camp, near Gander Lake, and test flights will be made probably in August. On a route practically half the distance between Great Britain and America as the alternative southern course, Newfoundland is strategically situated. With steamships capable of making the crossing in four days, speed would appear to be an essential factor in mapping out the air route. However, the entire scheme is still very much in the experimental stage, and weather hazards will have to be surmounted before it is practicable.

The value to Newfoundland of inclusion on the air route does not consist entirely in the work afforded those who build and maintain the airport, nor in the visitors it may attract to the island. It is anticipated that perhaps the greatest immediate benefit would lie in speeding up mail service. At present there are but two deliveries of American and Canadian mail a week. If mail were flown in by air twice, perhaps, eventually, four times weekly, the benefit to business would be of great value.

Extend Highways

A significant development in Newfoundland is the proposed trans-island highway. One of the major problems with which successive governments have had to contend has been the isolation of literally hundreds of settlements. Many are divorced entirely from access by land, with water transport the only means of communication.

The new highway, on which work is now progressing and completion of which is expected in from five to seven years, will fulfill a dual purpose in opening up the country. Not only will it provide means of automotive transport across the island and an added incentive to tourist travel, but it is designed to link up many communities with the railway.

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Financial Situation

THE fiscal year which closes the end of this month has brought its financial worries—worries which fortunately have not been altogether justified. The poor fishery and reduced lumber operations added considerably to the number receiving relief and exacted heavy toll from the government coffers. At the end of the calendar year the situation appeared rather bleak. Revenue was down some $400,000 from budget estimates, and expenditure was up by about the same amount.

Figures on expenditures in the second half of the year are not available, but it is likely they have shown a further increase over estimates, as the number on the dole has risen. But to the amazement of all concerned, revenue rebounded to such an extent that to the end of May $9,060,856 of total budgetted revenue of $9,214,830 had been collected. For the first 11 months of the year, receipts actually show an increase of $160,000 over the corresponding period in 1935.

The chief cause of the revenue increase has been the buoyancy of customs receipts, despite two sweeping, downward tariff revisions, one in January, the other in June of last year. In turn this may be attributed chiefly to reorganization of the customs department and the consequent collection of a substantial amount of revenue which formerly went by the board and to increased imports.

Less From Old Country

Surprisingly large customs revenue was also instrumental in the last fiscal year in making unnecessary a substantial portion of the subvention from the British government. The country is still a long way from balancing its budget, however, and is receiving from the United Kingdom, apart entirely from funds from the Colonial Development Fund used for development purposes, a grant-in-aid of nearly $2 millions annually.

It is anticipated that the budget to be presented next month will tend to the conservative, and due to the added expenditure it appears probable that the grant from the United Kingdom will be somewhat larger for the current year.

• • • •

Departments Humming

IN ADDITION to plans for the highway, the department of public utilities has concerned itself mainly with extensive construction projects and with land settlement administration. Under its supervision also is the Newfoundland Railway. This, the colony's largest public utility, has now come to the stage where an operating surplus is a definite possibility. As the outcome of a most effective economy campaign and of increased shipments of paper and ore, an operating loss which was in excess of $700,000 just a few years ago was cut to a mere $30,000 in 1935.

Almost invaluable has been the work of the magistrates appointed by the department of justice. Formerly limited strictly to

(Continued on page 16)

Bell Island Is Helped by Iron Boom

1936 Iron Production May Reach 900,000 Tons

NEW EQUIPMENT

Business is on the upgrade on Bell Island.

The entire island is dependent upon conditions at the Wabana iron mines and business there has been running almost 50 per cent above the 1935 level. Whereas for 9 months of last year men were employed only three days a week, this year a six-day week is being enjoyed. Not many more men are employed, but those who are, are working longer, and naturally, getting more money. Some 1,250 men are working at present, compared with 2,200 in peak years.

Sole Source of Labor

Islanders have no other source of labor. Practically every family has at least one representative at the mine. There is no able-bodied relief administered on the island, although there are a number of unemployed. The explanation of this apparent paradox is that unemployment is almost entirely confined to cases where other members of the family are working.

Operations are currently about three-fifths of capacity, with output running 3,300 tons a day. If the present rate is maintained, production in 1936 should amount to about 900,000 tons, the highest total since 1930.

1935 Production

Officials of the mine place 1935 production at 662,441 tons. Shipments during the year, however, were considerably higher at 736,924 tons. For 1934, output was 506,616 tons and shipments 651,028. Prices last year were relatively stable, but there is a feeling that some recovery is in prospect.

The bulk of last year's exports, $546,055 tons, was consigned to the Sydney plant of the Dominion Steel and Coal Co., the parent organization. Germany took 136,506 tons, and with the exception of a small shipment to France, the balance went to the Ford Motor Co. plant at Dagenham, England.

Exchange Difficulties

The exchange situation in Germany is proving a very large obstacle. That country has a 10-year contract with the company—five years are yet to run—which calls for annual purchase of 700,000 tons. Not only has the difficulty in providing exchange drastically cut into purchases, but it has even precluded cash payment for the relatively small quantities which have been bought. In 1935, of the 136,506 tons purchased by Germany, only about 45,000 were paid for in cash, equipment and goods in kind having to be accepted for the remainder. With any alleviation of the exchange problem, the company should benefit.

British Market Important

The British market is still a focal point in the company's future. The Ford shipments of last year will be continued, it is expected, and in addition 50,000 tons of ore were sold to a concern in England early this year. A decision whether the English market will be available to the Wabana ore on a relatively large scale is anticipated, one way or the other, this fall. Negotiations are now under way.

The importance of a market in England is enormous. Not since 1930 has the mine been worked at capacity. At present, operations are being conducted at two of the four mines. If the English market opens up, it will be necessary to work the other properties and employment will be given to perhaps 1,000 additional workers. More iron ore is being used in England, and some believe that this has brightened the company's chances of entering that market on a larger scale.

On the whole, however, it is probable that the Dosco plant at Sydney will, for 1936 at least, take up the bulk of output. Other prospects are, of course, being investigated, and there is a slight possibility of entering the United States market. It is hardly likely, however, that these outlets will develop in time to take any very substantial portion of this year's output.

No accurate estimate of the mine's reserve ore is available, although it is believed to be one of the largest in the world. Authorities have stated that a billion tons is a "conservative" figure.

Under Water Mine

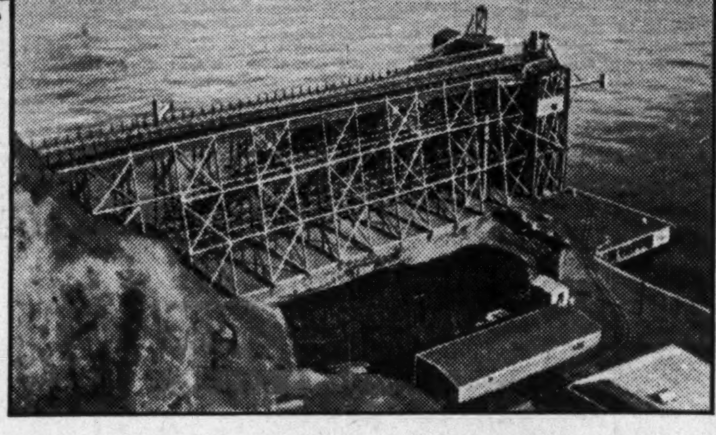
All mining operations are conducted under water. Work is at present about 2½ miles from the shore of Belle Island under Conception Bay. Compressors and motor generators are nearly all underground, and last year a large 450 h.p. underground hoist was installed. Other new equipment placed last year included a new hauling system in both operating mines. Two 13-ton electric locomotives were installed in No. 3 mine, and two 5-ton engines in No. 6 mine.

The accident record of the company is exceptionally good. The total runs about one-third of Ontario's rate for mining. The company has never experienced any labor trouble.

Empire Flags On Most Ships

British shipping preponderates in Newfoundland trade.

Of the 630 ships which entered the island's ports from foreign countries in 1935, 458 were Empire vessels of 913,542 tons. Nearest competitor was Norway with 121 ships of 162,696 tons.



UNDERGROUND AND UNDERWATER

With almost limitless ore resources, the Dominion Steel & Coal Company's Wabana Mine on Bell Island is one of Newfoundland's major industries. Operations are conducted under water, a tunnel reaching out some 2½ miles from shore. In the upper left, a group of men are shown in the workings along with one of the modern, electrically-driven locomotives. Entrance to the tunnel is shown on the right, while below is a shipping terminal from which the ore is loaded for delivery to the parent company's plant at Sydney and for export to Europe.

Government Launches Geological Programme

Hopes to Prove Existence of Commercial Ore

Spurred on by a 65 per cent increase in the value of mineral production last year, the Newfoundland government has embarked upon a comprehensive geological programme.

Apart from the Buchans base metal mine and the Wabana iron deposits, relatively little has been done in the past in the way of mining development. Much of the country is practically virgin territory. What exploration has been done, however, has given indications of numerous ore deposits of a considerable number of minerals. Whether or not these will prove of commercial value, is the object of the government's programme. The outlook for development is considered definitely good.

Present plans call for investigation of six mineral areas by parties of geological experts. Some of the members of the parties are from the United States, co-operation being given by Princeton and other universities. The following are the properties to be explored.

Fluorspar Development

At St. Lawrence, fluorspar operations were begun three years ago, when 1,200 tons were shipped. In 1934 this had risen to 2,100 tons and in 1935 to 3,100 tons. To date this year more than 2,000 tons have been shipped, and prospects are that the year will see 7,500 tons exported. Lack of capital appears to be the chief deterrent to more extensive operation of this mine. Sir John Hope Simpson was recently quoted to the effect that "were that mine adequately financed the problems of St. Lawrence would disappear." The mineral is used mainly as a flux for smelting iron ore and for use in certain types of glass.

The property is owned by W. E. Seibert, who is financing development from current output. Indications are that capacity may rise to 25,000 to 35,000 tons annually without adversely affecting the market. A possible market is seen in the United States, where much is now imported from Germany. Although 15 workable veins have been exposed production has been confined largely to a single occurrence. One vein is exposed for a distance of 7,700 ft., the width varying from 2 to 18 ft. of fluorspar.

Talc Deposits

At Foxtrap, talc deposits were worked for a short time some years ago, but were closed down, mainly because the machinery then used for grinding could not handle the silica which was mixed up in the talc. It is claimed that modern machinery has now done away with this trouble. Last season 30 tons were shipped to Canada for a mill test, and it is understood a Montreal firm is making a trial shipment of 6,000 tons this summer.

Coal Area

At St. Georges, carboniferous areas will be thoroughly investigated. Existence of coal deposits in this area has been known for years, but mining would entail considerable capital and the problem of transportation also looms large. International Paper and Power Co. of Newfoundland effected some diamond drilling on the property in the past but did not carry development further. The coal is believed to develop between 12,000 and 13,000 British thermal units and to leave 10 per cent ash.

White Marble

At Canada Harbour, marble, gold and copper prospects will come in for consideration. Three marble deposits have been exposed in this district, two of which are pure white, high-grade statuary marble. Negotiations are at present being carried on with England in regard to this product and it is felt that there is a possibility of a market there. It is hoped that something may be done in this connection while Italian sanctions are still in force.

At Hare Bay, particular attention will be given nickel, this metal having been reported there in association with platinum.

At Isle aux Morts, investigation will be made for garnet, extensively used in abrasive industries.

Need Capital

The aim of the government is apparently to prove commercial existence of ore—not to go into the mining business. It is hoped to carry exploration to the stage where outside capital is attracted. Little local capital is available and foreign money is said to be wary because of incompetent investigation in the past. It is believed that American capital, largely, will be attracted, although hope is maintained of interesting Canadian outfits.

British Laud Nfld. Seamen

The skill and courage of Newfoundland seamen is world recognized. Twice this spring favorable comment has been made in the British House of Commons.

In the first instance, Admiral of the Fleet Sir Roger Keyes urged establishment of a reserve of naval volunteers in the island, contending that Newfoundland produced "the finest small-ship men in the world."

More recently Winston Churchill, war-time First Lord of the Admiralty, stated "I have been informed that in the Great War the northern patrol of merchant ships, which was so essential to our blockade, could not have been maintained but for the continuous supply of Newfoundland men who are so efficient in handling boats in rough weather."

NEWFOUNDLAND LOOKS FORWARD

(Continued from page 15)

judicial duties, they are now the intermediaries between government and the people. Through them the viewpoint of the people is interpreted to the government and by them the policies adopted by the government are explained to the people. In a sense they have replaced the district members of the old House of Assembly.

Survey School Facilities

The department of education has been reorganized, a superintendent of education appointed and an advisory body representing the various religious bodies set up. The importance of providing adequate educational facilities is clearly recognized and further progress is expected. Last fall a general survey of educational conditions on the island was completed and as a result a new curriculum, placing emphasis on the work of elementary grades has been introduced.

Duties of the department of public health are multitudinous. With a quarter of the population on relief, administration is an enormous task. However, health projects were maintained and extended. The more important developments include extension of hospital facilities, organization of district nursing service and introduction of cottage hospital facilities. In addition the department was also entrusted with compilation of the first census made since 1921.

Prospects for development of Newfoundland—apart from the fishery—were never brighter. Capacity operations are the order of the day in many lines of endeavor; improvement is definitely indicated in others. Possible progress from her development programme is exceptionally great. The crux of the sitution, for the immediate future at least, however, still rests with the fishery. And in the fishery the solution to Newfoundland's problems must be sought for the most part in foreign markets.

Key Officials of Government

The following revised list of Newfoundland Commissioners and leading officials will acquaint readers of The Financial Post with those occupying key positions in the country's administrative organization. The government is anxious to co-operate with those desiring further information about the country and the list may obviate loss of time by indicating the proper sources to approach.

His Excellency Vice-Admiral Sir Humphrey Walwyn, K.C.S.I., C.B., D.S.O., Governor, Commander-in-Chief and Chairman of the Commission of Government.

Hon. W. R. Howley, K.C., Commissioner for Justice, Attorney-General, and Vice-Chairman of the Commission.

*Hon. Sir John Hope Simpson, C.I.E., Commissioner for Natural Resources.

Hon. Thomas Lodge, C.B., Commissioner for Public Utilities.

Hon. J. C. Puddester, Commissioner for Health and Public Welfare.

Hon. E. N. R. Trentham, Commissioner for Finance.

Hon. J. A. Winter, K.C., Commissioner for Home Affairs and Education.

W. J. Carew, secretary to the Commission and secretary for Home Affairs.

Brian Dunfield, K.C., B.A., secretary for Justice.

Claude Fraser, secretary for Natural Resources.

Raymond Manning, secretary for Public Works.

H. M. Mosdell, secretary for Health and Public Welfare.

Alex. W. Mews, secretary for Finance.

H. V. Hutchings, secretary for Customs.

L. W. Shaw, general superintendent of Education.

H. J. Russell, general manager of Railway.

Dr. A. K. Snelgrove, Geologist.

J. Turner, Forestry Officer.

A. B. Banks, director of Agriculture.

Dr. Harold Thompson, Fishery Research Laboratory.

Major E. E. Harper, secretary for Posts and Telegraphs.

Hon. Sir William H. Horwood, Chief Justice, Supreme Court.

Hon. J. M. Kent, Judge, Supreme Court.

Hon. W. J. Higgins, Judge, Supreme Court.

Rt. Hon. Sir W. F. Lloyd, K.C.M.G., K.C., D.C.L., Chief Clerk and Registrar, Supreme Court.

John Cahill, Sheriff.

L. Wild, Comptroller and Auditor-General.

D J. Davies, C.B.E., Trade Commissioner in London.

*Sir John Hope Simpson will retire in September and will be succeeded by R. B. Ewbank, C.S.T., C.T.E.

Berry Industry Expects Growth

Development of the berry industry is planned in Newfoundland this summer.

Last year it is estimated that about 600,000 gallons of blueberries were collected and frozen, an increase of 10 per cent over the previous year. Prices continued low, however, and those in the trade state that only low freight rates make the business possible.

It is anticipated that the United States-Canada trade agreement, which also applies to Newfoundland under a "most-favored-nation" clause, will be of considerable value. Under the terms of the pact, the duty on blueberries is cut from 35 to 25 per cent.

By far the major portion of blueberries has been shipped to the United States in previous years, the Canadian and English markets being negligible. The berries, found chiefly in the neighborhood of St. John's and Conception Bay, where roads make collection practicable, are graded, packed in 35-pound boxes and frozen.

Major Centre Mine Interest Is Molybdenite

American and English Capital Interested in Development

FOUR OPERATIONS

Molybdenite is the "hot spot" of Newfoundland mining at the present time.

Work is in progress at Rencontre, Fleur de Lys, Bay d'Espoir and Berry Hill.

At Rencontre, a number of claims have been staked by a group of St. John's men comprising the Lucky Strike Syndicate. The property has been optioned to Dana & Co., of New York, who have operators on the grounds doing surface work, shaft sinking and diamond drilling. It is contended that indications point to large-scale development, although not a great deal is as yet known about the property. The company is reported to be prepared to spend $40,000 on exploration work. The molybdenite occurs near the edges of granite in pegmatite dykes. On one of these contact has been traced for 8 miles, and molybdenite shows for practically the entire distance.

The Bay d'Espoir and Berry Hill properties are under option to Dana & Co. and the Fleur de Lys prospect to Anglo-Newfoundland Investment Trust.

Multiplicity of Uses

Like nickel, molybdenum, the product of molybdenite ore, originally found its main use in manufacture of armaments. At the end of the Great War it sold at $5 a pound, whereas it dropped to less than $1 about two years later. However, also like nickel, research laboratories have developed a multiplicity of peace time uses for the metal. As a result in the past year the price has risen from 85 cents to $1.50 a pound, and world production has gone up from 4 million pounds in 1929 to 12 million last year.

Value of the metal lies in the ability, when used in alloys of iron and steel, to intensify the characteristics imparted by the other ingredients such as nickel or chromium. It increases strength, resistance to corrosion, hardness and toughness. As a consequence its use in steel for motor cars, tools, etc., is becoming increasingly popular.

To illustrate the qualities of molybdenum, steel shovels containing the product were run over several times by a ten-ton steam roller. It was found to have no effect—the steel reverted to its former shape each time the roller has passed on. A valve manufacturer found that he could turn out a product capable of resisting 500 pounds a square inch when molybdenum was used as an alloy. Other alloys had yielded a maximum strength of 350 pounds.

Simpson's Post Goes to Ewbank

He Will Become Newfoundland's Head of Natural Resources

Robert Benson Ewbank, C.S.I., C.I.E., has been appointed Commissioner for Natural Resources to succeed Sir John Hope Simpson, whose retirement was announced two weeks ago.

Mr. Ewbank, like Sir John, is a former Indian civil servant, from which he retired last year after 28 years' work. Also like Sir John, while in India he was actively interested in the co-operative movement. Some believe that this is one of the major reasons for the appointment. Newfoundland has been interested in an experimental way only with co-operative endeavors and some small work in this connection has been carried out in fishing and agriculture. The former director of co-operation resigned this spring and appointment of his successor had been referred to Dr. MacDonald of St. Francis Xavier University in Nova Scotia.

During his stay in India, Mr. Ewbank had wide experience in practically all branches of the government, experience of an administrative and practical nature which should be invaluable in effecting the extensive development programme which is getting under way in Newfoundland.

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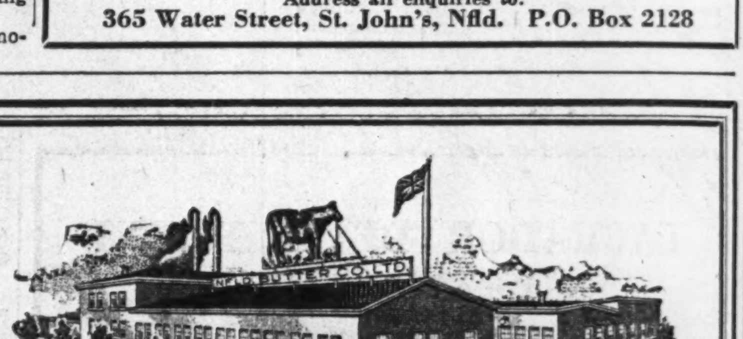

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City of St. John's Newfoundland

The following facts concerning the City of St. John's are of interest:
First elected council took office in 1888.
Present population of City: 44,000.
The City has a Property Valuation of $40,000,000.00.
Annual Rental Valuation: $2,192,000.00 (on which taxation is based).
Fire Insurance Premiums collected within the City amount to approximately $450,000.00 annually.
The City Debt: $2,104,000.00, incurred between the years 1888 and 1932. The major portion of the debt was used in rebuilding the City after the disastrous fire of 1892. This debt is due to the Government of Newfoundland. Note that the debt in over forty years has amounted to less than one year's rental of City property.

WATER SUPPLY

The water supply is secured from Windsor Lake, situated five miles from the City of St. John's. The elevation of the lake is 500 feet above the City. Area of watershed: about twenty miles. A practically inexhaustible supply of first-class water is available for all requirements. Water pressures all over City are maintained at 80 to 130 lbs., which ensures ample fire protection. Although the supply is capable of giving 20,000,000 gallons per day, the average daily consumption at present is only 7,000,000 gallons.

In addition to the main water supply, an auxiliary supply is situated at George's Pond. This, however, is only used in case of emergency.

POWER AND GAS

Hydro-electric power is supplied by the Newfoundland Light & Power Company in conjunction with the United Towns Electric Company, Ltd., at a low rate. Ample power is available for future development.

St. John's Gas Company. New capital has been acquired to increase the scope of the company's activities and to supply gas to residences and for power purposes.

Streets: 50 miles of macadam roads; 2 miles paved roads; over 12 miles of concrete walks. Both concrete walks and paved roads will be increased in the very near future.

Manufacturing Plants: Some of the leading industrial firms are:—
United Nail & Foundry Company
Standard Manufacturing Company
Horwood Lumber Company, Ltd.
Wm. Dawe & Sons, Ltd.
Purity Factories, Ltd.
Browning-Harvey Factories
Colonial Cordage Company
Newfoundland Boot & Shoe Factory
Parker & Monroe's Shoe Factory
Newfoundland Clothing Company
White Clothing Company
Newfoundland Butter Company
Harvey-Brehm Butter Company
Imperial Tobacco Co.
Newfoundland Brewery
Bennett Brewing Company
Riverside Woollen Mills, Ltd.
Lawrence's Carriage Factory
Carnell's Carriage Factory
Pope's Furniture Factory

Banks: Branches of the following Canadian banks are located in St. John's:—Canadian Bank of Commerce, Bank of Montreal, Bank of Nova Scotia, Royal Bank of Canada; also Head Office of the Government of Newfoundland Savings Bank.

Educational Institutions: The following are some of the City's well-equipped educational institutions: Memorial University College, Bishop Field College, St. Bonaventure's College, Prince of Wales (United Church) College, Bishop Spencer College, K. of C. Memorial School, Presentation Convent Schools, St. Patrick's Hall and Holy Cross Schools.

Head offices of the United Towns Electric Company and Avalon Telephone Company, Ltd., are situated in St. John's.
Shipping: 900,000 tons.
Harbour: St. John's land-locked harbour is one of the best on the Atlantic sea-board.
All steamers must pass St. John's on the way to and from Canada, the United States and Europe.

ST. JOHN'S MUNICIPAL COUNCIL, 1935
Mayor: ANDREW G. CARNELL
Councillors:
J. R. CHALKER *(Deputy Mayor)*
C. W. RYAN,
J. P. KELLY,
M. F. CAUL,
J. J. SPRATT,
J. A. WILLIAMS,
City Clerk: J. J. MAHONY, J.P.

Sound Advice...

Your resolve to make a Will may lapse! But a man's responsibility for his family's welfare cannot fairly be laid down even at death.

So why do you delay making a Will? It is as necessary for you to provide a wise administration of your affairs after death as it is to acquire the money and property intended for your family's protection.

If you are inclined to put off the making of your Will until some other time, think things over again and plan to confer with our officials at once. We invite confidential enquiry and discussion.

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COMPANY
Members of the St. John's, Nfld., Advisory Board:
SIR M. G. WINTER, Chairman
HON. S. MILLEY DAVID BAIRD, ESQ.
HON. F. McNAMARA
P. B. RENDELL, Manager

Census Shows Population Up Ten Per Cent

Decrease Is Apparent in Most Fishing Centres

TOTAL IS 289,516

Newfoundland's first census since 1921 was taken last year. Final figures show a ten per cent increase in total population over the 14-year period. Actual figures are 289,516 in 1935, compared with 263,033 in 1921.

It is significant that practically all of this increase has been concentrated in industrial centres. Generally speaking, population has tended to remain stationary or to slip back in fishing communities. St. John's city, the centre of most Newfoundland activities, shows a small increase from 36,444 to 39,856.

By districts, comparative figures are as follows:

Population by Districts

Districts:	1935	1921
St. Barbe	6,662	5,634
White Bay	8,721	6,542
Green Bay	8,257	8,401
Grand Falls	14,373	9,227
Twillingate	8,798	8,591
Fogo	9,590	9,224
Bonavista North	12,275	12,605
Bonavista South	11,753	12,149
Trinity North	12,766	12,701
Trinity South	11,088	10,688
Carbonear-Bay de Verde	13,409	15,307
Harbour Grace	7,563	8,196
Port de Grave	8,750	9,991
Harbour Main-Bell Island	15,017	13,619
St. John's West	30,174	24,791
St. John's East	24,712	23,010
Ferryland	6,682	7,367
Placentia and St. Mary's	8,433	8,460
Placentia West	9,568	9,711
Burin	10,668	10,293
Fortune Bay & Hermitage	11,334	10,540
Burgeo and LaPoile	9,293	8,645
St. George's-Port au Port	9,748	8,822
Humber	15,166	4,745
Labrador	4,716	3,774
Total	289,516	263,033

Exports of Dried Squid Show Sharp Rise in 1935

The export of dried squid showed a sharp increase in 1935. Whereas the value of exports in 1934 was only $4,588, it soared to $51,242 last year. Some experiments were attempted during the year in the manufacture of squid oil for export. It is likely that these will be continued this year. Chief market for squid is in the Orient.

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Head Office: St. John's, Newfoundland

Roving Commissioner

Sir John Hope Simpson, Commissioner for Natural Resources, Has Had Colorful Career

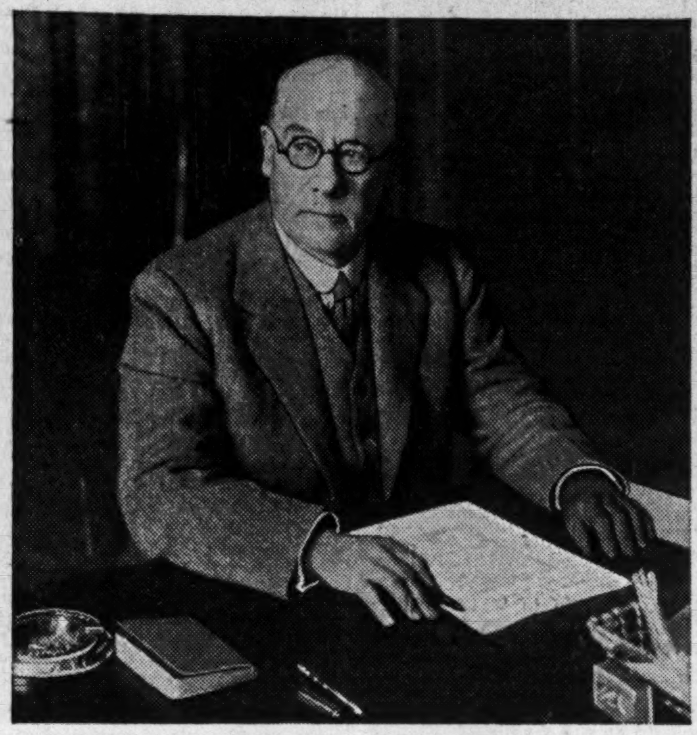
By SCOTT FYFE

Of Sir John Hope Simpson it may be said that he has been most active in retirement.

Pensioned from the Indian Civil Service 20 years ago, he has since been called upon to meet a number of problems of almost overwhelming difficulty. In fact, it is since 1916 that he has accomplished most of the work which has brought him international prominence. In Newfoundland, where he is generally regarded as a key man in the government, Sir John has been called upon to meet still another ticklish assignment.

Only two weeks ago, another of Sir John's retirements was announced. When he leaves Newfoundland in September, it is difficult to conceive that he will actually disassociate himself with administrative problems.

Sir John at 68 is not only capable of working, but on occasion actually does work 16 hours daily. Newfoundlanders relate that he rises in the wee sma' hours, and has completed a couple of hours work before going to his office. Not only has Sir John this ability, but he has the faculty of imparting it to those who work under him. It has a feature which has gone far to secure success.



SIR JOHN HOPE SIMPSON

Handles Natural Resources

With abounding energy his outstanding characteristic, it might be expected that a considerable part of the country's development would come under his guidance. Some idea of the magnitude of his responsibility may be had from the fact that he controls the destinies of all Newfoundland's natural resources. All agricultural, fishery, mining, and forestry administration comes under his department.

It is a corollary of this capacity for work that many consider Sir John's chief failing. He has just a tendency to attempt too much—to introduce too many new ideas. Some of his critics—and considering his position, these are relatively few in number—contend that his outlook varies from week to week, that he is too impetuous.

With his energy, Sir John combines consummate tact. As an adjunct to the tact, he is a very good mixer. Some claim there is a shade of the politician in his manner. But there is no nonsense about him, despite his bluff and hearty manner. He is one of the most popular members of the governing body.

He is ingenious. Not easily stumped. After he had been in India some time, Sir John returned to Oxford to complete his course in law. By this time, he had married and had a family. There was a university regulation that students live in regularly licensed lodging houses, approved by the authorities. This meant, of course, that Sir John would be separated from his wife and family. But he was not at all phased by this. He simply obtained a boarding house license for his wife, and registered with her as a lodger.

He is quite frank. If he does not know the answer to a question, he will not hesitate to say so. Even on the political platform, he has been known to candidly admit, "I do not know."

He has a knack of disclosing unsuspected talent. For instance, following an address before a none too sympathetic audience, there was, apparently, no one present to play the National Anthem. Sir John filled in very nicely. It is not generally known he is an accomplished linguist. At 16 he spoke French and German as well as he did English. At one time or another, he has spoken nine different languages.

Started Travelling Young

Sir John's has been a colorful life. He was born in Liverpool, 68 years ago, into a family of bankers. His father was managing director of England's famed Martin's Bank. At the age of 13 he began his travels, completing his education in France, Germany, and Switzerland. After some years in India, he returned to Oxford and completed his B.A. degree in law.

Choice of a career was accidental. He had harbored no particular desire to be a civil servant, apparently had not given much thought to the matter of his future at all, when his brother stumbled at the Indian Civil Service examination. Brotherlike, Sir John wanted to see if he could not succeed where his brother had failed. Some 260 candidates were examined to fill 42 vacancies in the Service. Sir John was fourth.

At the age of 21, he went to India and served as an assistant magistrate in the northwest provinces and Oudh. Seven years later he was appointed judge, a post not particularly suited to his temperament. From judge he did "all sorts of things," advancing to magistrate, and later commissioner. Eventually, he became governor of the Andaman and Nicobar Islands. In his various capacities, he received exceptionally fine training in administration, in human nature, and in government. He was virtually ruler of those whose territory he administered, As such, he was called upon to solve problems ranging from those entailing involved legislative decisions, right down to arranging marriages for squint-eyed girls. The latter was an actual instance, one father approaching him to see if he could arrange a marriage for his daughter. In India persons who squint are viewed askance.

Helped Credit Unions

While in India, he was much interested in co-operative credit. He was the first registrar of the Indian co-operative credit unions. At the present time, funds on deposit with these institutions amount to millions of pounds. Their growth was a most important development for the country. Prior to their introduction, the ordinary annual rate of interest was 36 per cent. Opening of the Co-operative Credit Union cut this rate in half. When Sir John left in 1916, the rate had been further cut to nine per cent.

Pensioned after 27 years service in India, Sir John arrived in England Christmas Day, 1916. On the first day of 1917, he was installed as First Intelligence Officer in the Ministry of Labor. He had not foreseen this appointment in India. He had returned to England with the intention of going to the front in France—he had been colonel of a volunteer cavalry regiment in India. His application was turned down, however, and the government job substituted.

After the war, Sir John "reformed" and went into politics. Resident in a traditionally safe, Conservative riding—Taunton division of Somerset—he tried to get someone to accept the Liberal candidacy so that he could exercise his vote. No lamb could be lured to the slaughter, however, and as a last resort he himself accepted the nomination. The campaign was conducted by his wife, daughter, and himself, and the results astonished no one more than Sir John himself. He was victor by some 3,000 votes. He was re-elected once, and in his third campaign was defeated by Colonel Hamilton Gault, a former Montrealer. Sir John has voted only three times in his life—each time for himself.

Knighted for Indian Work

Defeated in the election of 1924, he became chairman of the Indian Colonist Committee, which enquired into the status of Indians resident in other countries. For his work in India he was knighted in 1925, and was also awarded the Order of the Indian Empire. It was the first of a series of assignments.

In 1926 he was sent by the League of Nations to Greece to supervise the settlement of Turk refugees. In that capacity, he built 2,000 villages and placed 165,000 families, about 780,000 people, back on the land. It was a four-year job. The Grand Cordon of the Order of the Phoenix of Greece was conferred for his service in this connection.

His next major appointment followed immediately. It was in Palestine, where he made an enquiry into the Zionist situation on behalf of the British government. Having travelled literally from Dan to Beer Sheba, he submitted the report which bears his name, but which on occasion has since been referred to as the "No-Hope Simpson" report.

Then in 1931, at the request of the Chinese government, he accepted chairmanship of the National Flood Relief Committee. The enormity of this problem may be visualized by the fact that in one day 1,400,000 men were at work on the dikes along the rivers, and 15 millions of flood victims were relieved. Reward for his work in China was the Order of Benevolence, first class. He has since been notified by the Chinese government that he has been awarded the Order of the Red Jade Ribbon with Blue and White Edges, but as yet this honor has not been received.

Is a Humanist

Which assignment has been most interesting? He finds it difficult to say. His philosophy is that no matter what the job, it is the people that make it interesting. Sir John is a man essentially interested in his fellows; he is a humanist rather than a scientist. It is for that reason, he admits, he is not a lawyer. He took his degree in law, but found the subject "inhuman." Law, he contends, is cold; takes no heed of personalities. But he is glad of the training which his legal education provided.

Which task has proved most difficult? Here his answer is definite—Newfoundland. While other problems have been essentially single problems, Newfoundland's is in reality not one but a whole series of problems. There is the enormous number of small settlements, the inaccessibility of many of them, necessity of administration with a very limited budget, and so on almost ad infinitum.

In regard to Newfoundland's future, he is sincerely optimistic. He does feel, however, that too many people are at present dependent upon the fisheries. In his view, only some 80,000 persons can be supported adequately by the industry which has been the base of Newfoundland's business life for so many years. At the same time, he realizes the fishery will continue for many years to be the country's leading industry, not necessarily in terms of volume of output, but in respect to the number of persons employed.

Following this line of reasoning, his policy in the administration of the Natural Resources Department has been to initiate a programme of development in other industries. Particularly in mining, and also in lumbering, especially if a new mill in the Gander area becomes a reality, does he look for definite advance. Encouragement of agriculture has also been a keynote in his administration, and will continue.

Looking to Future

In forming his policies, Sir John has had in mind development for the future. Immediate problems are serious, and must be met, and measures are being taken to meet them. But behind most of the legislation which he has put into force and has in mind is the belief that a broader economic base is essential for the future prosperity of the island.

Sir John has been and still is, although necessarily in less degree, a keen sportsman. Travelling is now his main diversion. And his varied life in so many countries has afforded ample opportunity for indulgence in this regard. On the other hand, his travels have enabled him to gain an unusual insight into race characteristics, and have broadened his viewpoint, thus aiding the effective accomplishment of duties.

Fishing is now his favorite sport, and on those rare occasions when he is free of commission business, he can often be found at one of Newfoundland's many fishing streams. He and his wife take keen enjoyment in camping out on the Gander territory in Newfoundland.

In his younger days, he went after big game. Many are the stories he could tell, if one could catch him in reminiscent mood, of wild boar, leopard, tiger, and bear hunting. On several occasions it was touch and go whether Sir John or the animal would be the victim.

Will Listen to Argument

Since assuming his position in Newfoundland, Sir John has not been immune from criticism. Such was to be expected. He is, however, very approachable, quite amenable to argument, and ready to admit his error when convinced his course is wrong.

He has recognized from the first that he had a most difficult appointment in Newfoundland and that it would be impossible to satisfy all concerned. An illustration of this was afforded by his address at the inauguration of the Commission of Government. At the gathering, when pomp and ceremony were the order of the day, and very formal speeches were being delivered, Sir John related a simple little story which very neatly summarized the situation. He told of two men who were nonchalantly crossing a field when chased by a bull. One took refuge in a tree, and the other dived into a hole in the field.

The subsequent behavior of the second gentleman was most peculiar. He would emerge from his retreat and remain on top until the bull charged, when he would once more duck underground. After this had occurred several times, the treed member upbraided his companion on his apparent foolishness. "Why don't you stay down, instead of continually jumping back and forth?" he asked. To which the reply was most significant. "That rebuke may be all very well, but you don't know local conditions. There is a bear in this hole."

Claim Cod Liver Oil Actually Easy To Take

Purity of Newfoundland Product Earns World Reputation

NEWS FOR YOUNG

"You won't taste it."

How many times have unwilling youngsters been coaxed to down cod liver oil with this statement of rather dubious veracity.

Now, however, Newfoundland oil manufacturers contend it is now being produced as sweet as olive oil. It rests nicely on the stomach, and is actually "easy to take."

If any country produces such cod liver oil, it should be Newfoundland. She tends to quality rather than quantity, with the result that her oil is generally regarded as the world's best. Volume of production, however, does not begin to compare with that in some other countries.

Production 200,000 Gallons

When the price of oil was $1 a gallon, Newfoundland could produce about 500,000 gallons. In the past two or three years, with the price down to 60 or 70 cents, output has been limited to 200,000 gallons.

Norway can market some 1.5 millions of gallons annually, Iceland a further million and in the last two years—since the Ottawa agreement—English trawlers can manufacture 2 or 3 millions. These oils are generally considered inferior to the Newfoundland product, and cannot command as high a price.

Newfoundland's supremacy in the cod liver oil field is due to a number of circumstances. Most important is that she produces the world's best codfish. Into her cod liver oil goes no haddock or other fish livers so that the resultant product is practically 100 per cent pure. The extremely cold water—Newfoundlanders claim the coldest in the world—is a boon to the cod liver oil industry. It is logical that the cod requires greater oil potency to protect it from the cold. In manufacturing, too, particular care is taken to maintain quality. The fish are processed on shore immediately after they are caught.

In the past, Newfoundland cod liver oil has been sold in bulk. It is now put up for export in bottles under government supervision.

Standards set in the United States call for acidity content of not more than 1.41 per cent. The Newfoundland oil has acid content of less than 0.25 per cent.

Producers state there is currently more talk of cod liver oil than ever before. The major problem confronting the industry is, of course, that prices have sunk so low that production on the former scale is no longer profitable. Another ever present problem is that of substitutes. To the competition of inferior grades of cod liver oil and of other fish oils, must be added that from other products which are being designed to supply the vitamins A and D, the energy supplying content of which cod liver oil is admittedly a major source.

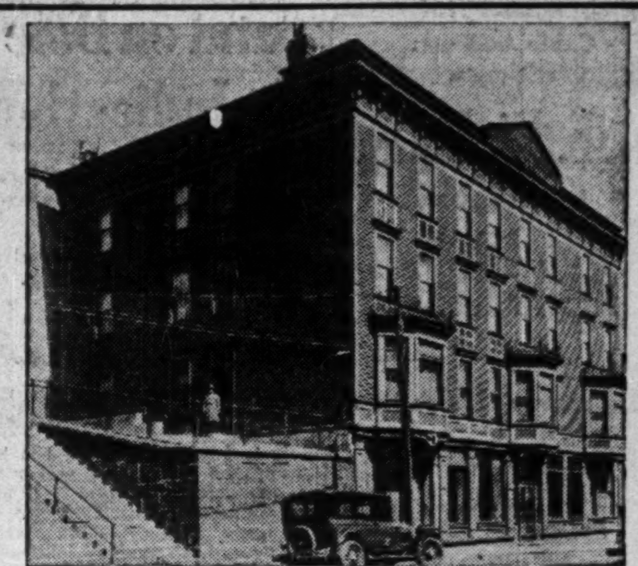
One of the substitutes is halibut liver oil, which, while substantially higher in the scarce vitamin D, contains less A. It has the disadvantage of being much less palatable. Newfoundland has a halibut fishery; but as yet there is no halibut oil industry. It is doubtful if one will be established. One reason is that the halibut oil is much harder to obtain. The halibut has a small liver, and its yield of oil is relatively small. It has been estimated that whereas one barrel of cod liver oil can be secured from three of codfish liver, the proportion of halibut oil to halibut liver is only one in 12. Cod oil is also more easily separated. In cooking cod liver, oil goes to the top and so is easily skimmed off. This is not the case with halibut.

Have Many Tests

Tests are still a prominent factor in the industry. Much time is spent on such things as measuring potency and vitamin content. These tests have been of definite value to the industry in the past, but some manufacturers are beginning to wonder if they are not being taken to absurd lengths.

At present there are two chief tests for cod liver oil. The first is a tentometer test for vitamin A. By this method, the oil is placed on an acid which imparts a blue tinge. In the space of a few seconds, the shade of blue has to be matched with that on a scale to determine potency. The difficulty is that no two persons see exactly alike. A test on chickens or rats is the only method of ascertaining vitamin D content. Whereas this test formerly took 6 weeks, the time has now been cut to that many days. However, many claim it lends itself to misrepresentation.

Research work in connection with cod liver and other oils is to be continued at the fishery research laboratory at Bay Bulls, according to a recent announcement by the government.



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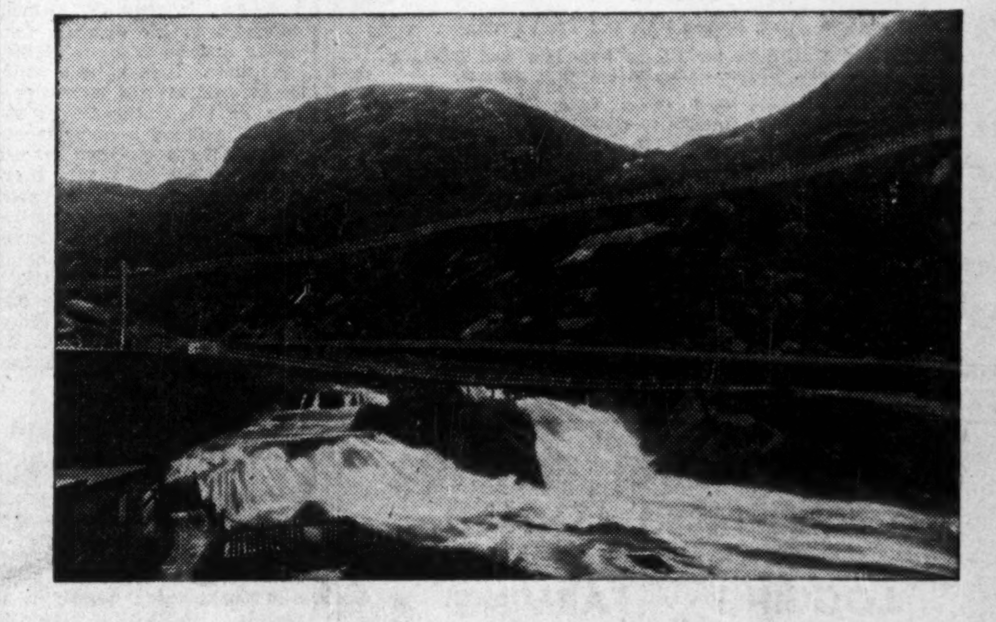

Power Facilities Expand With Industrial Growth

THE NEWFOUNDLAND LIGHT AND POWER COMPANY, LIMITED serves the needs of St. John's with electric lighting and heating, power to drive industries, and provides as well the street car service of the city. Power is also supplied for the Dominion Steel and Coal Corporation's activities at Bell Island.

In addition to the 7,000 h.p. development at Petty Harbor, some eight miles from St. John's, the company has completed a 5,500 h.p. hydro-electric development at Pierre's Brook. The installations are linked for greater efficiency, either plant automatically carrying the load, which can be switched from one to the other in a few seconds.

The present company was formed in 1924. In that year the number of light and power customers totalled 4,788. This figure has risen to over 8,000. The average growth of domestic consumers is between 300 and 400 yearly.

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Open to represent Manufacturers

Total on Dole Is Indication Fishery Catch

90 Per Cent of Those on Relief Are Fishermen

COST $1.5 MILLIONS

As in most other countries, relief in Newfoundland is a major problem.

It is a problem which has been intensified during the past winter by the poor fishery and by reduced lumbering operations. While employment in most other lines of endeavor has shown an increase, or has been maintained, the importance of the fishery in the employment of most of the working population has once more been clearly illustrated.

The bulk of Newfoundland workers are unemployed during the winter, and when there has been no adequate return from the fishery to tide them over those months they are necessarily thrown back on the government for support. It has been estimated that 90 per cent of those on relief are fishermen.

Self Sufficient

The average Newfoundland fisherman is an all-round man. Relief officials claim that he is 40 per cent independent. That is, he grows sufficient produce in his little plot of land to take care of that proportion of his subsistence needs. He has his sheep and goats. He grows part, at least of the vegetables he eats. He provides his own fuel. Many spin their own yarn and knit a part of the family clothing. A large number make their own boots of sealskin, a soft shoe for winter use on snowshoes and a hard sole to withstand the wear and tear of rocks in summer.

Consequently, a season which nets a fisherman $250 will see himself and his family comfortably through the winter.

Fishing is actually a part-time occupation for most. The cod season usually begins early in June and the fisherman is back home again in October. This feature, of course, gives plenty of time to develop other lines of work. As might be expected, however, it leads to wide fluctuation in the number of persons on relief. At the end of March, some 76,629 persons were on the dole—more than a quarter of the entire population. This would probably be the peak season, however, and the number may be expected to show reduction in the summer months, possibly to half that total.

The cost of maintaining these folk is, obviously, a severe drain on government revenues. Although the individual amounts are relatively small, the total runs up to $1.5 millions, a high figure when it is considered that the entire population, including those on the dole, is less than 300,000.

Get $2 a Month

Relief recipients in the outports receive about $2 a month, say seven cents a day. Those in St. John's get somewhat more. In addition to this allowance, which is made in voucher forms payable in certain goods, some clothing is distributed, vegetables are provided in some non-agricultural sections and fish in some industrial sections, and medical assistance is given.

In the figures for total relief cost, which is estimated to run to $1.5 millions in the current fiscal year, slightly more than in 1935, is included the cost of providing for a large number of widows, orphans, and aged and infirm, most of whom can be regarded as a permanent charge.

Although the situation in the outports is admittedly bad, the city of St. John's is relatively no worse off than many of the larger Canadian centres. At the peak season for unemployment, there is less than ten per cent of the population on relief.

Require Earnings Statement

An applicant for relief, in addition to the customary declaration as to dependents, property, means of support, etc., is required to make a statement of his earnings for the season and an account of his expenditures. It is to be a policy of the government that, no matter what may be the circumstances at the time of application, no payment will be made if the applicant has earned enough to see his family over the period for which relief is asked. In other words, applicants will be required to show that they have not dissipated their year's earnings. Some are put to work at relief projects, but these consist largely in cutting timber and in furthering local public improvements. Wages of 25 cents an hour are paid for this work.

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The Gulf Stream, Cabot Strait, Arctic Currents, great rivers flowing into great bays, all play a part in depositing sea food for **Newfoundland Fish** on the floor of the ocean and waters surrounding Newfoundland. Then again the wonderful climate, fresh brisk westerly winds laden with oxygen containing Iodine, Phosphorus and other health giving vitamins are largely responsible for that peculiar flavour known only in **Newfoundland Fish.**

Goitre is practically unknown in Newfoundland, simply because the health giving winds which **Dry Newfoundland Fish** contain elements which destroy the germ, therefore Newfoundland Fish is equalled by no other country in the world.

COD OIL, LOBSTER, HERRING AND SALMON

CROSBIE AND COMPANY
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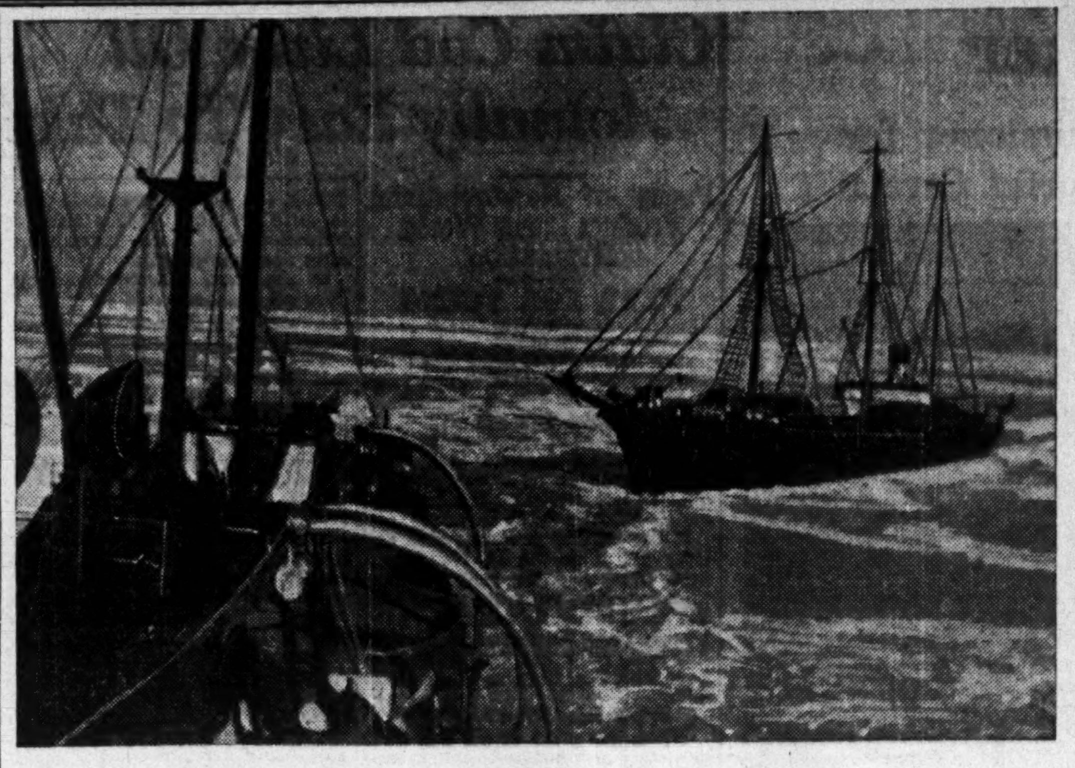

FROM ANTARCTIC TO SEAL FISHERY

One of the most romantic of industries, sealing annually makes its substantial contribution to Newfoundland's welfare. Taken at the sealing grounds, the above photograph shows on the right S.S. Terra Nova, the ship in which explorer Captain Scott voyaged to the Antarctic.

Business Indications Appear More Favorable

More Active Development Anticipated in Several Industries — Fisheries Board Improves General Outlook

BY W. ANGUS REID,
President, Newfoundland Board of Trade

The measure of prosperity enjoyed by Newfoundland always has been, and will be, at any rate for many years to come, dependent to a large extent on the various phases of the fishing industry. This is, of course, due to the fact that, although the export value of the products of mines and forests is practically double that of the fisheries at present prices, the latter industry is still by far the greatest employer of labor in the country.

Fishing Reorganization

Due to a number of causes beyond the control of the Newfoundland trade, the results of the last year's operations were not satisfactory. The government, however, has now established a Fisheries Board with wide powers of control over marketing, inspection, and methods of production. In this way it is confidently anticipated that improvement in all phases of the industry will be effected, resulting in increased returns to both merchant and fisherman.

Good Sealing

The sealing voyage which has just been completed, including numbers taken by landsmen, produced approximately 200,000 seals. This is considerably better than last season, and, while not one of the most successful years, is considered a good average.

Mining Outlook

The government has recently announced for this year a programme of extensive geological investigation of those areas which show promise of potential mineral values. This announcement, taken in conjunction with the increasing interest which is being manifested by local as well as outside responsible interests in our minerals, augurs well for our prospects in this direction. Preliminary investigation on a considerable scale by parties under the direction of engineers representing outside capital is already under way.

Recent optimistic announcements concerning the operations at the Sydney plant of the Dominion Steel & Coal Company, which draws its supplies of raw material from the iron mines of Bell Island and the limestone quarries at Aguathuna, give ground for the belief that there will be increased activity at both these places, and, in addition to this outlet for our raw material, strenuous efforts are being made to obtain a market for a quantity of this iron ore in Great Britain. The lead-zinc mine at Buchans continues to operate at the same satisfactory volume of production as heretofore.

Forest Operations

Except for a period of several weeks in the early spring, when the International Power & Paper mill had to suspend operations owing to an unfortunate accident to the hydro-electric plant at Deer Lake, the two newsprint mills, the International and the Anglo-Newfoundland, have been working at a high percentage of capacity. There would appear to be good reason for believing that the near future will see a further industrial utilization of our forests, but exactly what form this development will take has not yet been determined.

The policy of agricultural encouragement inaugurated by the government has been steadily continued, and improvements in the regulations controlling grading, marketing, etc., have been effected, with beneficial results. The government is making every effort to encourage and foster subsistence farming throughout the country with the object of improving both the health and living conditions of the people.

Plans for Tourists

Newfoundland possesses a great potential earning power in the tourist trade. That this trade has not hitherto been further developed is due to two main causes; lack of good roads (except on the Avalon Peninsula) and insufficient advertising. Fortunately it appears likely that both of these deficiencies will be remedied. The government has a comprehensive road-building programme which will make it possible for tourists to bring their cars by the short sea trip across the Cabot Strait from North Sydney to enjoy the unsurpassed scenery of Newfoundland, and indulge to their heart's content in fishing the many salmon rivers and lakes which are now only used by a comparatively small number of sportsmen.

This country, in common with the rest of the world, has a serious problem, both psychological and financial, in unemployment and relief. It is a fact, however, which has been amply demonstrated on many occasions in the history of the country, that the recuperative power of Newfoundland is extraordinarily rapid, and even a modest improvement in returns from the fisheries would simplify the relief problem to a surprising extent.

Government revenue is being remarkably well maintained and the indications are that it will exceed the amount estimated in the budget for the current year.

Canning Plants' Output Estimated at $300,000

Value of canned goods produced in Newfoundland in 1935 is estimated at $306,945. This figure comprises 6,300 cases salmon, $47,250; 2,300 cases rabbit, $20,700; 600 cases bakeapples, $4,800; 65 cases seal, $595; 12,800 cases lobster, $217,600 and sundry products $16,000.

Salmon Fishery

The 1935 salmon catch amounted to about 2,910,000 pounds, or 450,000 pounds above the level of the previous year. The catch was of good quality and brought prices slightly better than in 1934.

Newfoundland Whaling In Hands of One Concern

Whale fishing in Newfoundland is now confined to one company, but before the war it was an extensive industry. It was over-expanded at that time, however, and losses resulted when oil prices declined in the post-war period. The monster fish are reported to be again becoming more numerous.

Technique of whale fishing is most interesting. The fishery is conducted from small Norwegian-built steamers. These are trawler-like boats with a maximum speed of about twelve knots. In the bow is a short cannon. From this is fired a harpoon equipped with a detonating bomb and attached to a light line which ends in a buoy.

Killed by Explosion

When a hit is made, the explosion of the bomb in the whale not only results in speedy death, but provides a buoyancy which floats the dead whale to the surface. Then the carcass is picked up, the flukes of the tail cut off, a chain fastened about the tail and it is hoisted to the hawsepipes. An incision is made in the whale and compressed air pumped in to make it float more easily. It is then towed off to the flensing station on land.

Usually two, but sometimes as many as four whales are thus towed to land at one time, the small ship with whales on either side appearing much like a small dog with a big bone in its mouth.

195 Whales Shot

In 1935, the three steamers of the Newfoundland Whaling Co. shot 195 whales. The same number of boats were sent out by the company this month to open the 1936 season off Placentia Bay. Exports of whale oil for 1934-35 totalled 636,698 gallons valued at $130,872. More than 60 per cent of exports found a market in Denmark, the remainder going to the United Kingdom, Canada, the United States and Belgium.

Efforts have been made, with indifferent success, to develop the sale of frozen "arctic steak," more commonly known as whale flesh. In taste this resembles coarse beef, and is devoid of any blubbery taste if absolute care is taken in selecting it. Locally, the product has met with fair sale, but exports are almost nil.

Whales most commonly taken in Newfoundland are the fin back, sulphur and humpback, and occasionally a male sperm whale. A fin back yields from 20 to 90 barrels of oil, a sulphur from 60 to 160, and a sperm from 75 to 90.

Capacity Operations In Newsprint Mills

With operations of the two paper companies at capacity, the Newfoundland newsprint industry continues to advance. Although production at the International Paper Co. mill was temporarily affected by a plant breakdown, this has now been repaired and the business is once more in full swing.

In value of output, newsprint ranks first of all Newfoundland industries. Last year paper exports were valued at $11.8 millions, considerably more than twice the return from codfish.

Cordage of pulpwood cut this season is somewhat lower than in 1934-35, it being estimated that 428,000 cords were divided between the two mills against 472,000 cords last year. A smaller cut by International Paper was responsible for the decrease as the Anglo-Newfoundland portion advanced by 25,000 cords to 220,000.

Newfoundland, including Labrador, is recognized as one of the world's largest remaining sources of pulp timber. On the island there is probably 40 millions of cords. In Labrador some 30 millions of cords have been blocked out, and authorities believe that there may well be an equal supply which has not been blocked. So that a fair estimate of Newfoundland's pulp timber resources would be in the neighborhood of 100 millions of cords.

Observers feel that resources are such as to permit operation of a newsprint mill in the Gander area, and for some time negotiations have been under way for exploitation. Some are of the opinion, however, that if a third mill is established in Newfoundland it will not operate on as large a scale as those now in the field.

Messrs. Edward Lloyd, of London, are interested in closing a contract for substantial quantities of Newfoundland wood for a period of ten years. Recently this firm released the option it held on the Tobin Eagan limits in Labrador, but at present they are investigating areas further north. If negotiations, now in progress, are successful, it will mean permanent employment for some 500 men.

Liquor Board Reorganized

Reorganization of the Newfoundland Board of Liquor Control was completed in 1935. The result is seen in an increase of more than 35 per cent in profits in the current year over those in 1935. Part of this advance is attributable to greater turnover, but the major portion is considered due to savings effected in administration and to the fact that more bottling is now being done in Newfoundland.

Reorganization entailed a reduction in staff of almost 20 per cent, and remodelling of bottling equipment.

Formerly, a liquor permit entitled the holder to three bottles a week, but this limitation was more nominal than effective. There is now no limit to the amount which can be purchased. Permits are issued at no charge.

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Summer steamer cruises around the Island and North to Labrador also operated.

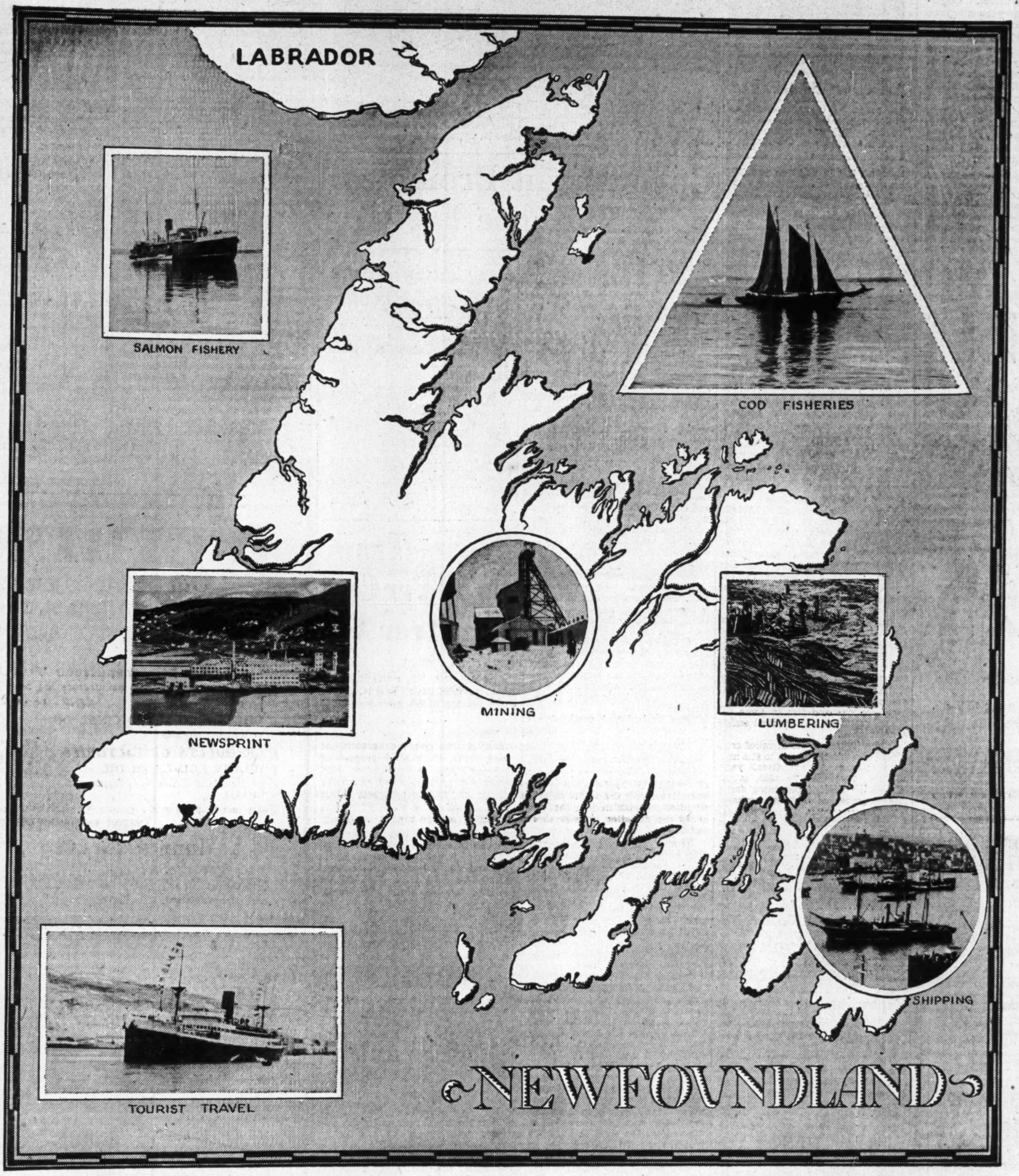
Newfoundland Railway
St. John's, Newfoundland

Prospects of Development Arouse Widespread Interest In Britain's Oldest Colony

Commission Government Assures Stability

ONE of the first discovered territories in America, Newfoundland remains young in development of natural resources. With a vast, but as yet unexplored, hinterland, the country offers distinct possibilities for capital investment. Potential mineral and forest resources are backed by an abundance of inexpensive, readily available power, by cheap water freight and by an ample and congenial labor market.

Of major importance in assisting development is a sympathetic government. Political uncertainty, so prevalent the world over in recent years, is obviated in Newfoundland by the commission government, which is only too willing to consider and to further worth-while schemes of development.



Forestry and Mining Opportunities Abound

LACK of capital has been a major factor retarding mining development. What little exploration has been carried on has resulted in a world famous base metal mine at Buchans, and one of the largest known iron ore deposits at Bell Island. This summer an active geological programme is being conducted by the government and by private interests. Indications of gold, molybdenite, fluorspar, sulphur and other minerals will be extensively explored.

Newfoundland and Labrador constitute one of the largest remaining sources of pulp timber in the world. Thus far exploitation has been confined largely to two large paper organizations which have assumed an important place in the island's business structure. An export trade in pit props has grown up in recent years and additional avenues of development are being explored.

Fisheries Basic Industry

FOR three centuries the framework of Newfoundland's industrial life has been the fishery. And it is likely to dominate for many years to come. The Newfoundland and Labrador waters continue to yield rich harvests of fish, despite gradual depletion in other shores. Codfish, the world's best, is the major product, but many other species contribute to the total catch. The salmon fishery is a growing and healthy industry; sealing activities yield a rich return, and haddock, herring, halibut and lobster are of substantial importance.

As the fishery has naturally been conducted from settlements along the coast line, exploration and development of the interior have been largely neglected. It is the avowed policy of the government to expedite utilization of the country's other resources.

Unlimited Power Resources

AT THE command of those interested in developing her natural resources, Newfoundland can place almost unlimited power. On virtually every stream — and there are hundreds — power can be generated. It is this factor which has gone far in bringing the country's paper and mining industries up to their present stage of development. And it is abundance of power, capable of generation on an economical basis near the scene of practically any potential industrial operation, which is one of the most encouraging aspects of the future.

Financial stability, bounteous unexploited resources, adequate cheap transportation, government co-operation merge to ensure further development and to make Newfoundland a likely field for investment.

for further information apply

GOVERNMENT OFFICES – ST. JOHN'S, NEWFOUNDLAND

A Land of Great Natural Wealth and Opportunity, Newfoundland's Financial Integrity is Assured

Conservative Budget Expected Next Month

Revenue Improvement Marks Second Half of Year

FIRST HALF DOWN

When Newfoundland's budget is brought down—the fiscal year ends June 30—it is anticipated some retrenchment will be shown. In all probability it will be a conservative budget.

The reason is not difficult to find. The relatively poor fishery last season has hit the current year's budget by pyramiding relief costs.

Half Year Down

For the first half of the fiscal year which ends this month, total revenue was $5,117,121, some $220,000 under the corresponding period a year ago. This spring officials estimated that for the full year it would be some $400,000 less than estimated. Collections since then have shown considerable improvement, however, and it is probable that the full year will register total revenue in excess of both the estimated amount and the 1935 total. The 11 months' gross revenues are $160,000 more than last year at $9,060,856.

On the other hand, expenses have continued to climb and it is estimated that they will be more than $400,000 above the budgeted amount.

3,000 Receiving Old Age Pension

Newfoundland has 3,000 old age pensioners

The pensions, however, which amount to $50 a year, are regarded as helping allowances rather than providing maintenance. Consequently, an old age pensioner may at the same time be receiving a pension and relief.

To be eligible for a pension, a man must be 75 years of age, and, if resident outside of St. John's, have less than $250. This maximum money figure is raised to $400 for those living in St. John's.

Total outlay for pensions in the year ended June 30, 1935, was $147,925, as compared with $142,400 in the previous year.

As a result, grants-in-aid, which last year amounted to $1,743,174, will likely show a considerable increase over the $1,799,109 estimated in the 1936 budget. The budget for this year estimated expenditure for the year at $11,896,698. Ordinary revenue of the island was placed at $9,214,830, but in addition provision was made for loans from the colonial development fund of $743,546 and the grants-in-aid mentioned above, a total collection of $11,757,485. The sum of $139,213 required to balance, is to be drawn from Newfoundland exchequer balances.

The result of the 1934-35 fiscal year was much better than had been anticipated. Revenue was surprisingly large, due in part to a more successful fishery and to higher prices for fish in foreign markets, to increased imports yielding higher customs revenue, and to more efficient customs administration. The total figure was $9,556,909, more than $1 million above that for the preceding year and $1.4 millions above the estimate. The increase in customs revenue was $637,217 and that collected by the assessor $174,307.

Advances from the colonial development fund of $1,168,478 and grants-in-aid from the government of the United Kingdom of $1,743,174 brought revenues to a final total of $12,468,561.

1935 Expenditures

Expenditures included $10,553,026 on ordinary account, and $1,081,845 on schemes financed from the colonial development fund, a total of $11,634,871. Budgeted expenditure at the beginning of the year was $11,302,604. The increase in the actual total is attributed to greater commitments for relief and for public works.

The following are comparative figures of revenue and expenditure in the last two years:

Revenue

	1934-35 $	1933-34 $
Finance	483,267	385,350
Customs	7,043,504	6,406,287
Ports & telegraphs	537,626	576,134
Assessor	1,042,249	867,942
Home affairs	9,699	22
Justice	16,426	17,232
Natural resources	314,297	184,032
Public works	31,064	11,632
Pub. health & welfare	48,373	38,238
War pensions	30,404	32,115
	9,556,909	8,518,984

Expenses

	1934-35 $	1933-34 $
Finance	596,260	606,431
Customs	273,735	470,112
Ports & telegraphs	713,229	736,330
Assessor	11,742	10,034
Home affairs	40,569	56,408
Education	716,807	517,661
Justice	512,612	482,788
Natural resources	1,099,082	848,184
Public works	841,537	389,633
Pub. health & welfare	2,063,217	2,785,567
War pensions	607,244	
Labor	......	1,962
Colonial develop. fund	1,081,845	......
Int. & exps. on public debt	3,076,990	3,168,620
	11,634,872	10,273,731

COMMODIOUS HOTELS

Just to prove that Newfoundland hotel accommodation is what it is claimed, the above photograph, showing a section of the lounge of the Newfoundland Hotel at St. John's, will give some indication of the modern facilities and comfort. At Corner Brook and Grand Falls the paper company hotels provide excellent accommodation for those who wish to avail themselves of tourist attractions.

Hotel Outlook More Favorable

Expenditure on Improvements Heavy—Revenue Up in 1936

The Newfoundland Hotel, a 200-room building overlooking the Narrows at St. John's, was taken over by the government Dec. 1, 1931. From that time until June 30, 1935, operations of the hotel have resulted in a loss of $53,000. However, repairs and improvements, which have been charged as current expenses, have bulked large in this total. In all they amount to some $30,000. In the six-month period ended June 30, 1935, there was a loss of $17,226, but repairs and improvements accounted for all but $5,000 of the total.

It should also be noted that these earnings are for the first half of the year and do not include the summer months when hotel business is generally larger. It is expected that the red figure total may soon disappear in the accounts. Revenues in the first three months of the calendar year 1936 were substantially above those of the same period a year ago, and with improved facilities and service, it is hoped this record can be maintained or improved. Apart from interest charges, the hotel requires $350 revenue a day to break even on expenses.

The restaurant which is run in conjunction with the hotel, but which should not be confused with the hotel dining room, has been largely patronized—so much so that capacity is being enlarged from 65 persons to 250.

Game Prospects

Prospects are for good game hunting in Newfoundland. More efficient protection of moose and caribou has led to an increase in their number. In addition, it is proposed to introduce red deer from Nova Scotia.

Government Promotes Subsistence Farming

Policy to Improve Agricultural Products Grown in Outports

ON BONUS SYSTEM

In the belief that the progress and health of the people of Newfoundland is to a large extent dependent upon development of agriculture, the Department of Natural Resources has been active in developing policies to foster and encourage subsistence farming.

These policies should be distinguished from experiments such as those at Markland, which are designed primarily as part of a land settlement programme. The purpose of the agricultural department is to increase in both quality and quantity the produce now being raised on the island. To this end, assistance, educational and financial, is given those who produce even a part of their supply of foodstuffs.

Agricultural Imports

In the fiscal year ended June, 1935, Newfoundland imported $4.7 millions of agricultural produce. More than $2 millions of this was in wheat, meal and flour, which it is believed cannot be profitably grown in the country. However, there seems to be no insurmountable obstacle in the way of growing at home at least a considerable proportion of the items which are now imported.

Total agricultural production on the island in 1935 is estimated at $8.5 millions, of which $3.5 millions was livestock and $5 millions field crops and dairy products. The total output was more than $300,000 above the 1934 level despite weather conditions, which were not regarded as ideal and which had the effect of bringing crop yields below average. Of livestock produced, some $600,000 worth was killed for food purposes.

Industry Widespread

Only about 10 per cent of Newfoundland's population is engaged in agriculture as a sole, or even major, occupation. However, the great bulk of the people have a small area of farm land on which is produced a part of the family foodstuffs. It has been estimated that two-thirds of those living in the outposts do not produce sufficient farm produce for their own needs. Farm production is currently at a level lower than before the war, but officials are convinced that over a period of, say, ten years, the prospect is for a substantial increase in agricultural production.

One means which has been adopted to encourage the industry is a system of bonuses. For instance, there is a land clearing bonus of $25 an acre, designed to increase the relatively small amount of land which has been cleared. This bonus is payable, not in cash, but in farm equipment and stock.

Fertilizer Bonus

Fertilization of land is also advocated. A freight bonus is granted on limestone used as fertilizer. The government pays all freight costs, railway or schooner, on limestone shipments to the various farms, provided the shipping company guarantees a selling price of $3.25 a ton in bags or $2.25 in bulk. The bonus is equivalent to about $1.75 a ton.

Extensive work is being carried on to improve the class of livestock. On bulls, rams and boars purchased for breeding purposes, there is a concession amounting to half the purchase price paid by the government, on condition that the animals are up to certain specifications. Similarly, a bonus is paid on the number of colts from government approved stock.

To further improve livestock, the government has purchased 15 pure bred bulls and loaned them to communities wishing to raise their standards, on a three-year basis. More than 900 breeding ewes of good type and 85 rams were distributed last fall to 40 communities. These are to be paid for over a period of four years. Some 400 young pigs were also distributed on a cash basis.

Grading Act

A vegetable grading act, applying to table crops, is now being enforced and is meeting with general approval by merchants, growers and the consuming public. The act makes it illegal for anyone to sell potatoes or turnips unless graded and packed according to standards set up by the department.

Demonstration plots have been laid out in various parts of the country to show the value of fertilizer and to demonstrate improved methods of cultivation. Useful information has been afforded by these, and the work will be continued. A demonstration and experimental farm has been purchased at Mount Pearl, and will be used as a training school for outpost boys wanting to study agriculture. A number of young men are being given specialized training in Canadian universities along agricultural lines. Some of these are already at work in Newfoundland, demonstrating improved methods.

How Tariff Drops Affected Revenue

Here is a comparative table showing customs revenue collections in Newfoundland before and after the tariff revisions in January and June, 1935:

Customs Revenue

Month:	1935-36	1934-35
July	643,746	680,004
August	560,921	666,655
September	644,354	748,327
October	762,420	831,810
November	775,217	700,445
December	577,421	679,761
January	351,880	464,273
February	417,906	358,020
March	432,021	439,904
April	652,182	456,276
May	640,052	707,766
	6,458,118	6,733,241

Export Trade Up 50 Per Cent Over Year Ago

Shipments of Paper and Ore Concentrates Are Higher

Newfoundland export trade is running merrily along about 50 per cent above last year. Figures from the beginning of the calendar year to May 7 record total shipments valued at $5,204,591, compared with $3,479,227 in the corresponding period of 1935.

The increase is largely through greater exports of paper and of ore concentrates from Buchans. Shipments of paper in the current year amount to $3.3 millions, whereas only half that total had left the country by this time a year ago. It is believed this has been brought about partly by increased facilities for winter shipments. Ore concentrates at $140,561 compare with only $3,036 in 1935, with higher base metal prices an important factor. The more successful seal fishery has also played its part in hoisting the total.

Exports of codfish are not yet up to last year's level. To the first week in May shipments were valued at $1,314,687, almost $100,000 under the 1935 figure. It must be noted, however, that prices have shown substantial decline over the year, so that actual quantity of shipments is greater.

Upswing in 1935

For the fiscal year ended June 30, 1935, total trade of the colony showed an encouraging upswing of $3,372,485 to $46,469,550. Most of the increase, however, was in imports, which advanced to $19.2 millions; exports rose about $440,000. The following table gives classification of exports by industries:

Exports
Year Ended June 30

	1935 $	1934 $
Fisheries	8,287,546	7,863,650
Agriculture	6,543	19,054
Forest prod.	633,409	548,109
Mining	4,655,426	4,708,699
Manufactures (local)	12,505,507	11,601,959
Specie	705,229	1,745,114
Misc.	435,465	504,918
	27,229,125	26,791,503

More than 75 per cent of Newfoundland's total trade is carried on with three countries, the United Kingdom, the United States and Canada. Sixty-five per cent of all exports are directed to and more than 90 per cent of all imports are obtained from those countries. In approximate figures, trade with the United Kingdom amounted in 1935 to $15 millions, the United States $10.9 millions and Canada $9.3 millions.

Balance of Trade

Trade with the United States is equally distributed between imports and exports, but that with the other two countries varies widely. For instance, Newfoundland shipped $5.7 millions more to the United Kingdom than she purchased from her. On the other hand the island buys $5 millions more from Canada than she markets here. Much consideration has been given means of developing exports to Canada, the difficulty being that Canada, like Newfoundland, is essentially a producer of primary products. Nevertheless, Canada imported more than twice as much from Newfoundland in 1935 as in the preceding year.

Loggers Pay

Under loggers minimum wage arrangements completed between the government and the Anglo-Newfoundland Development Co. the percentage of men who average $1.91 a day or more increased from 45 per cent in 1934-35 to 72 per cent in 1935-36. The proportion of those averaging less than $1.30 fell from 17 per cent to three per cent in the same period.

Fur Farming Prospective Big Industry

Development Planned in Mink, Beaver and Muskrat Culture

EXPERIMENTAL FARM

Newfoundland is taking up fur farming.

At present, some 80 per cent of the country will support nothing but fur bearing animals. To re-establish the supply of these animals, game preserves have been set up, the preventive patrol reorganized and increased and farms established. Experiments have been limited largely to beaver, muskrat and mink. While development of fur farming will naturally be gradual, it is believed that over a period of ten years, it may prove of material benefit to the country.

Government Expert

W. O. Douglas, of the Hudson's Bay Company fur farms in Canada, has been in Newfoundland for some time, and is acting as adviser to the government. He is of the opinion that conditions are ideal for a large fur farming industry, and goes so far as to contend that there is no good reason why Newfoundland should not produce and export as much fur as does Prince Edward Island in Canada.

A small mink farm has already been set up at Mount Pearl, and expansion is anticipated next year. Meanwhile government employees are transporting beaver from places where they are plentiful to other suitable locations. Muskrat farms are also being encouraged.

Look For Iron Ore

The Anglo-Newfoundland Investment Trust is understood to be investigating properties at Hickey's Pond, Placentia Bay and Bay Verde in the hope of uncovering commercial iron deposits.

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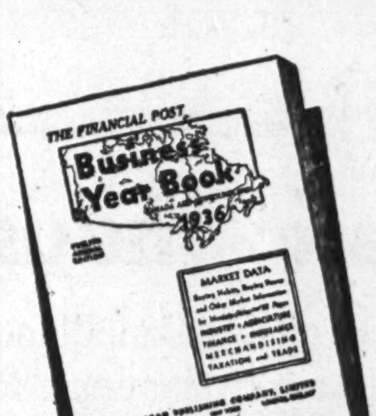

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Greater Catch By Seal Fishery In 1936 Season

Anticipate Satisfactory Price for Seal Oil

183,689 SEALS

A 29 per cent increase in the number of seals and an 18 per cent increase in the weight of the catch, are the result of the 1936 sealfishery in Newfoundland, as compared with the previous year. The season brought in 183,689 seals weighing 3,158 tons.

The annual voyage of the sealing steamers, one of the most colorful of all enterprises, was begun on March 7, when eight ships, one less than in 1935, steamed out of St. John's harbor. Mild weather and loose ice, which facilitated the voyage of the fleet to the hunting grounds, made operating conditions very difficult. Crews were prevented from moving about on the ice fields as freely as in other years. The season officially ended on April 24, when Captain Abram Kean, O.B.E., veteran commodore of the fleet, arrived back in St. John's. Over 80 years of age, the captain holds the unique record of having brought in well over a million seals over the past 48 years.

Partnership Venture

The sealfishery is a partnership venture between the owners of the steamers and the crews, which vary between 150 and 250 men per steamer, according to size. The owners provide the boat, pay operating expenses, and supply rations for the crew. For this outlay, they receive two-thirds of the catch. The crew, for their share, receive one-third, which is equally divided among the men. This year the catch was more evenly distributed over the number of steamers operating than usual, all meeting with a fair measure of success.

While the 1936 season does not measure up to the peak of 241,000 seals in 1930, the two companies interested, Bowring Brothers, Ltd., and the Ungava Steamship Co., managed by Job Brothers & Co., consider that the catch represents a good average.

Seal oil, which is used for a variety of purposes, including use as a substitute for medicinal cod liver oil and in high grade soap, is sold for the most part to the English and Canadian markets. Fairly satisfactory prices are anticipated this year. The skins are marketed chiefly in the United States and in England, which has proved the best market in recent years.

Ship Totals

Individual ship landings for 1936 were:

S.S. Imogene	36,266
S.S. Ungava	27,894
S.S. Eagle	25,549
S.S. Beothic	23,886
S.S. Terra Nova	20,868
S.S. Ranger	20,765
S.S. Neptune	14,535
S.S. Thetis	13,926
	183,689

Statistics, showing the number and value of pelts landed and the men's share of the catch, compare as follows:

Year	Total Pelts No.	Value $	Men's Share High Ship. $	Men's Share Low Ship. $
1925	127,882	269,467.38	.....	....
1926	211,531	395,510.79	124.66	12.28
1927	180,459	297,422.57	.....	....
1928	227,022	394,163.78	80.96	35.38
1929	201,856	359,919.89	80.16	9.46
1930	241,236	405,809.57	105.68	5.49
1931	87,866	121,115.20	65.00	13.27
1932	48,613	53,367.02	.....	....
1933	176,046	191,911.62	93.48	24.42
1934	227,390	324,792.38	110.79	15.37
1935	143,031	173,754.00	.....	....
1936*	183,689	224,495.00	70.23	30.94

*Approximately.

Flour Production

Flour production amounting to 1,171,741 barrels in March, is well up to average, exceeding the output for the same month in 1935 when 1,046,087 barrels were produced.

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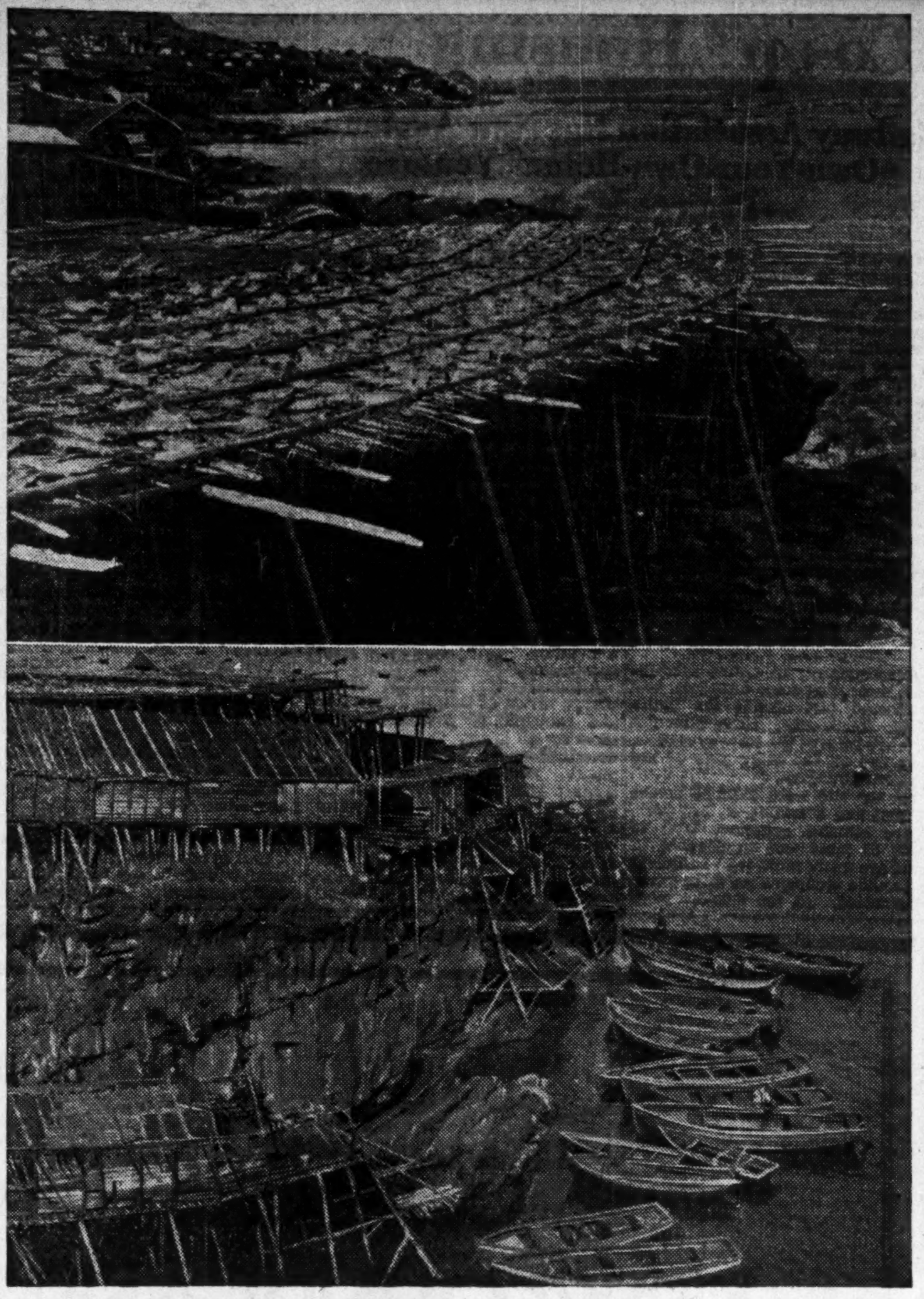

THE STAPLE FISHERY

Not the least arduous task in the cod fishery is the drying of the fish. The top picture shows the cod spread out on flakes, exposed to the sun's warmth. The scene, taken at Pouch Cove, is typical of those to be found at numerous points along the island's coast. The lower photo is a close-up of the fishing stages and the small boats which seek their catch off the rock-bound shore line of the cove.

Fishery Reorganization Will Regulate Marketing

New Fisheries Board, Backed by Exporters' Association, Vested With Comprehensive Powers

Complete reorganization of Newfoundland fisheries is provided for in the newly appointed Fisheries Board.

Vested with arbitrary powers covering all phases of the fishing industry from the time the fisherman sets sail until the product is finally marketed, the new board comprises three members appointed by the governor, and is backed by an advisory council of nine exporters. Actually the new authority extends to all branches of the industry and assumes the control formerly exercised by the Salt Codfish Board and the Herring Board, both of which no longer function.

More Orderly Exporting

Major benefit expected of the revised arrangement is in regulation of marketing. Cut-throat conditions, particularly in codfish export sales, have been widespread, with competition verging on the ruinous. Events of the past season, with markets disorganized through application of sanctions, quotas and exchange difficulties, have demonstrated to Newfoundlanders that exports are the key pillar of the industry.

While the act constituting the authority states that the governor-in-commission may regulate or amend activities connected with "catching, curing, preparation, processing, grading, packing, branding and marking for export and exporting of fish," it is believed that functions will be largely centred about marketing. The board has powers to issue licenses for the export of fish to those meeting its specifications. It further can license brokers for Newfoundland sellers.

Not only can the quantities placed on the market be regulated, but restrictions may also be imposed in respect to quality. It cannot be said that mis-description has been prevalent in the marketing of Newfoundland fish, but what has occurred has naturally lost customers and has been the cause of considerable unfavorable publicity in the countries to which the misrepresented shipments have been consigned.

Rigid inspection of fish, and uniform grading requirements should react to the welfare of the industry generally.

In the third place the new board may appoint independent representatives in existing foreign markets and may explore new ones. Allegiance of one group of exporters to one agency abroad and of another group to a competing agency has led in the past to easily appreciable difficulties. The Board has abolished such anomalous marketing. In Portugal, for instance, two agencies, Hawes & Co. (London) and C. A. Moreira, have been appointed to represent exclusively the Newfoundland codfish trade in that country. These agents will work together under rules of the Board. Licenses for sales will be made out in the name of the exporting group, not of individuals, so that one exporter may not be played off against another.

Advisory Council

Raymond Gushue, formerly chairman of the Salt Codfish Board, has accepted the chairmanship of the new authority, and with him will be associated Henry King, formerly director of research with Cockfield, Brown & Co. of Toronto and Montreal, and J. T. Cheeseman, chief fishery officer of the department of natuural resources. To aid these men, two of whom have had no practical experience in the fishing industry, the Salt Codfish Association has been formed, representative of the various exporters. The association will function purely in an advisory capacity and will have no power beyond making recommendations.

Funds for the maintenance of the board's work are to come from three sources: A license fee levied on exporters; an annual grant from the government; and a tax of two cents on each quintal of codfish exported. This export tax may be increased to five cents a quintal to permit expansion of operations.

Those engaged in the trade for the most part view the creation of the board as a constructive factor. It is believed more orderly marketing and more rigid inspection are requisites to the profitable prosecution of the fishery. It appears, however, that successful outcome of the new regulatory body will hinge largely on the measure of co-operation among the three parties involved, the government, the board and the advisory council.

Plan Expense Reduction For Fishery Research

The programme of operations to be undertaken at the Fishery Research Laboratory at Bay Bulls during the next five years contemplates a reduction in expenses. Certain lines of investigation which have now been completed will be discontinued

Newfoundlanders Eat Much Fish

Newfoundlanders practise what they preach in regard to fish consumption. Included in domestic fish consumption in 1935 were 59,063 quintals of cod; 6,836 barrels of herring; 648,688 pounds of salmon; 223,394 lbs. turbot; 66,645 lbs. trout; 33,887 lobsters; 672 quintals of haddock and substantial totals of several other varieties.

Poor Markets Crimp Codfish Sales in 1935

But Most of Year-end Carry-over Has Moved Out

Despite a catch which was above normal, Newfoundland's 1935 cod fishery was disappointing.

Market conditions were such that supplies could not be disposed of during the year, and an abnormal carryover of some 400,000 quintals was on hand at the beginning of 1936. The anxiety of fish exporters at that time has proved to be unfounded, however, as stocks have been moving out of the country rapidly and the carryover has been cut to small proportions. Prices have necessarily been low.

There are no official statistics on the codfish catch in the island. Advent of the commission government has given a greater appreciation of the value and necessity of this type of information, but as yet those available have not extended to fish production. Authoritative sources, however, place the 1935 catch at 1,250,000 quintals, comprising 117,000 quintals from the bank fishery, 725,000 from the shore and the remaining 408,000 from the Labrador and soft cure.

Have New Vessels

This figure is about the same as the estimate for the previous season and is regarded as slightly above normal. In part the large total may be attributed to the introduction of some 50 new vessels launched in the industry as a result of the government-aided ship building programme. The Labrador fishing voyage was a large one and at some points on the northeast coast the shore fishery was the largest in 30 years. The bank fishery was up about 35,000 quintals on the preceding year.

Unfortunately when the marketing season arrived in September, there was too much codfish for the markets available. Ever since May there had been difficulty in obtaining exchange from Italy, and a balancing fund had been set up by which the United Kingdom, and hence indirectly Newfoundland, secured payment on a trade-balancing scale. As Italy bought more than it sold Britain, this fund usually balanced the wrong way for Newfoundland exporters, but some benefit was forthcoming.

Severe Loss in Italy

With the imposition of sanctions in September, the Italian market was to all intents wiped out of the picture. Total sales to Italy for the year were about 40,000 quintals, whereas for the fiscal year ended June 30, 1935, they had amounted to 177,243 quintals, valued at almost $1 million. To add to the problem, the quantity of "Italian fish," cod suitable for the Italian market, was much above average.

Other markets were also disorganized to some extent. Brazil was again an unsatisfactory market due to the difficulty of obtaining exchange, payments for fish being tied up for lengthy periods. Much the same may be said of Spain. While Portugal absorbed 100,000 quintals more than in the previous year prices were very low, as a result of the government-controlled importing groups.

Total exports for the year were valued at $5,246,920.

Minimum Price Regulation

At the end of the season, stocks of cod fish still unsold were overemphasized. Exporters submitted lower prices than competitors whenever possible sales were in view, and a buyer's market resulted. The Salt Codfish Board, alarmed at the steadily declining prices, imposed in the Portuguese and Spanish markets minimum prices for which they would grant export certificates. The price decline was thus stemmed in those countries.

Similar restrictions were later extended to Greece, but were subsequently removed. Their withdrawal, however, precipitated a skid of prices to almost half the previous levels, and the restrictions were re-imposed. Porto Rico was also brought in under the minimum price regulations at a later date.

Liquidation of Carryover

As things have turned out, there was little justification for the price cutting activities. At the end of the year the Salt Codfish Board estimated that 400,000 quintals of fish were held in the island. Export figures indicate that to May 7, 359,688 quintals moved out, and there is still a month in which to market the remaining 40,000 quintals before the new season's bank fish is ready for export.

Value of Boats $5.5 Millions

Value of equipment owned by Newfoundland fishermen in 1935 was $5,569,021, according to census returns. In that year there were 612 fishing schooners, 224 auxiliary schooners, 65 bankers, 116 Labrador floaters and 300 western boats, with aggregate tonnage of 48,151. Fishing rooms are valued at $111,249.

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Avalon Telephone Co. reports net new installations of telephones last year of 240. This compares with a gain of 125 in 1934. Until the latter year, however, removals had exceeded installations for three successive years.

In 1920, only 900 telephones were in use on the island. From then until 1931 there was a steady increase to a peak of 7,700. Total installations at present number 7,350, of which 6,700 are in St. John's. There has been no net change in the total figure since the beginning of this year.

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EXPLOSIVES

Though gold was found in the Province of Quebec as early as 1834, it is only within the last three or four years that its output has attained important dimensions. Today, Quebec is Canada's second largest gold producer. Its output in 1932 constituted 13.1 per cent of the Dominion's total in that year.

Quebec's present high rank among Canada's gold-producing provinces is largely due to the production of the Horne Mine at Noranda. This mine is operated through two main shafts, one of which has been sunk to a depth of 2,527 feet, the other to 3,094 feet. In addition to the Horne Mine, the Siscoe, Granada, O'Brien and Beattie mines are also important contributors to Quebec's large output of gold.

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In 1935 the Province of Quebec produced 470,471 fine ounces of gold, valued at $16,555,874.

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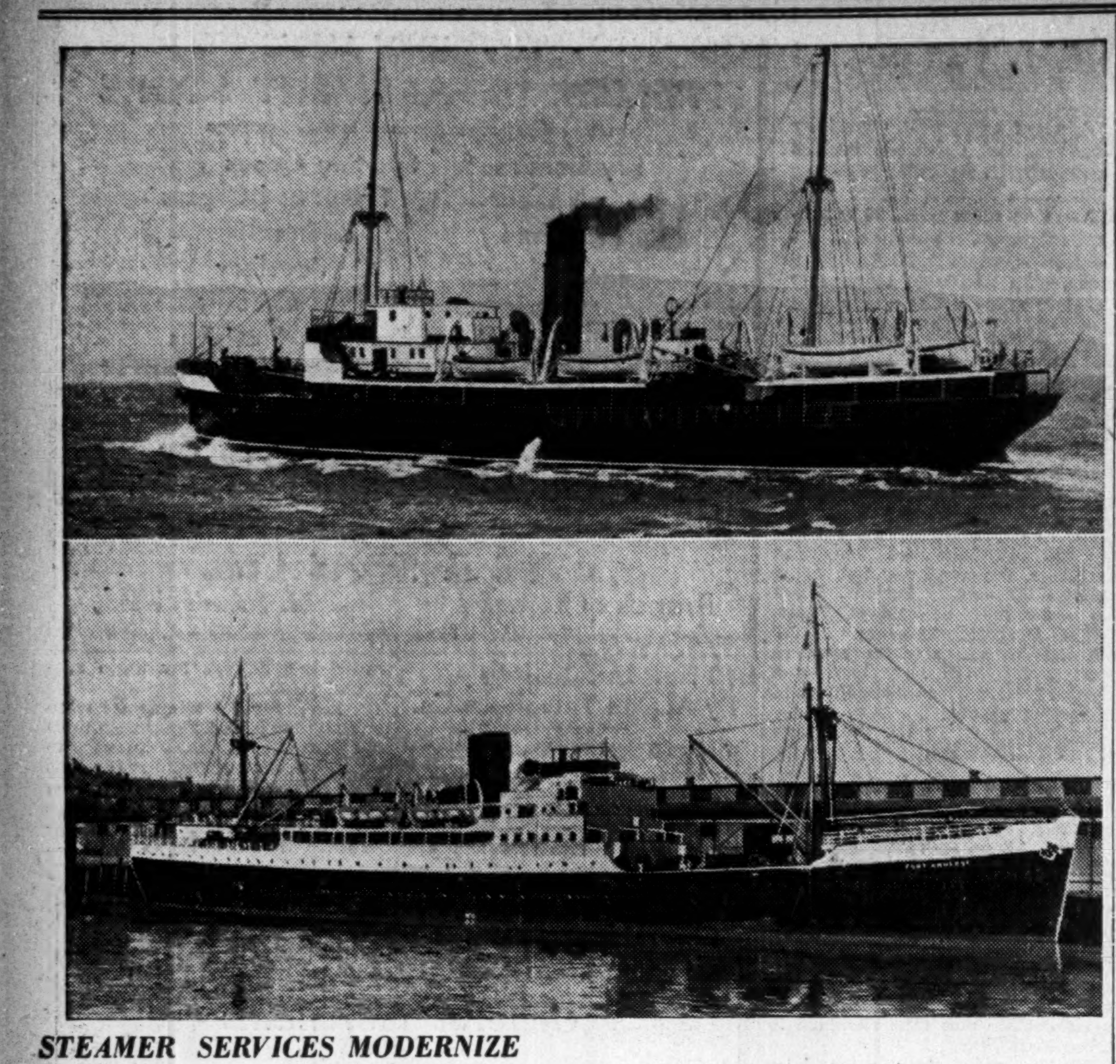

STEAMER SERVICES MODERNIZE

New ships are the vogue in Newfoundland this year. Above is shown the S.S. Northern Ranger, introduced into the coastal service last month by the Newfoundland Railway. The new ship, on which construction was begun only last fall, boasts all modern conveniences. She has accommodation for 62 first and 78 second class passengers.

The lower ship is the Fort Amherst, which with her sister ship Fort Townsend, were built for the Canada-Newfoundland voyage and placed in service in April.

Revenues Holding Well In Face of Tariff Cuts

Receipts Are Much More Than Expected When Slash Made

FOR FREE TRADE

Two sweeping, downward tariff revisions in one year is a record of which any government might be proud. Such was the achievement of the customs department of Newfoundland in 1935.

In January and again in June substantial percentages were lopped off the prevailing rates of duties. Further reductions will probably be made in due course, as it is the avowed intention of the government to promote as free trade as possible. It is not probable, however, that another revision lurks in the immediate offing.

Revenues Holding Up

That the duty concessions would mean a serious loss in customs revenue, by far the largest single contributor to the country's coffers, was anticipated. It was estimated that the two cuts would slash some $800,000 from total receipts. Actually, the decrease has been much less. For the six-month period ended Dec. 31, 1935, revenue was $3,964,079, a drop of $342,923 from the corresponding period of the previous year. This was against an estimated decrease for the period of $570,000. So that, despite a poor fish season, customs revenue for the first half of the current fiscal year was actually $200,000 more than was budgeted.

But that is only half the story. Since the beginning of the calendar year, collections have been actually greater than in 1935. As a result, figures for 11 months of the fiscal year show a drop of only $275,000 from those of the same period last year. At the outside, the decrease for the full year should not exceed $400,000, and it may be considerably less. This cannot be said to be a saving of $400,000, despite the estimated $800,000 loss, as one of the tariff revisions was in effect for the last six months of the 1935 fiscal year.

More Spending

The relatively favorable showing is regarded as being due chiefly to two factors. First, imports of certain lines of merchandise have shown an encouraging increase. People are spending somewhat more freely. Just before the commission was appointed two years ago, there was some doubt as to the courses which would be taken and consequent hesitancy in purchasing foreign products.

The second, and possibly most important reason, is that collection has been made of a lot of revenue that was formerly going by the board. The customs department was one of the first to show the effects of civil service reorganization and as a result smuggling, which had been a serious drain on government revenues, has been reduced to a minimum.

Customs Policy

In making duty reductions, officials of the department pursued the policy of cutting the rates on necessary articles. And in any further revision, this same procedure is likely to be followed. As examples of the drastic slashing of rates, the following instances giving weight to both revisions, are illuminating.

Flour now enters the country free of duty, whereas 52 cents a barrel was formerly charged. Average import is about 380,000 barrels annually.

Fresh fruit was reduced from 15 per cent to nil in the interests of health, and later some dried fruits were placed on the free list.

A $65,000 loss was anticipated when fishermen's long rubber boots were reduced from 55 per cent and free entry granted.

Many of the largest reductions were made in clothing. Piece goods were cut from 45 to 25 per cent, the preferred rate from 35 to 15.

Garments dropped from 60 to 40 per cent in the general list and from 50 to 30 in the preferred.

Boots and shoes were reduced to 40 and 30 per cent from 65 and 50, respectively.

To encourage agriculture, farm implements were placed on the free list, whereas formerly an 18 per cent rate was collected.

Tools of trade are now charged ten per cent and nil, as against 45 and 35 per cent.

On some items on which reductions were made, it was expected that additional imports would more than compensate for the lower duty. This proved to be the case in regard to such items as jams and jellies. On radios, too, where the rate was cut from 65 to 30 per cent, revenue has shown an increase. Duty on motor cars was more than halved, dropping from 65 to 30 per cent, but higher revenue was anticipated and has been obtained. There is another angle to the motor car duty reduction, however. In return for the tariff concession and a drop in car licenses from about $40 to $10, the motor trade consented to a higher gasoline tax. This tax is now 13 cents a gallon in the Avalon Peninsula and 11 cents outside that area. There is a rebate to fishermen to bring their tax down to four cents a gallon.

Freight Revenue Up

While customs revenue on freight shipments was actually lower in the first six months of the 1936 fiscal year than in the first half of 1935, it was $176,000 above what was considered when the duty reductions were made. The chief causes are considered to be a slight rise in values, an increase in imports, and also, of course, that a greater percentage of the revenue is being collected.

Some resentment has been encountered in enforcing stricter collection of duty on passenger baggage. Collection here had been particularly lax in previous years. While an attempt is now being made to collect all legitimate charges, it is pointed out that a sincere effort is being extended to assist tourist trade. There is no duty on any personal effects, and even deposits on such items as cameras and fishing rods brought into the country by tourists have been cut to a minimum.

Revenue from passenger baggage collection has soared. The total in 1935 was almost double that of 1934. And in the nine months ended last April as much revenue had been collected from this source as in the entire previous fiscal year. It is expected that the current fiscal year will show a 30 per cent advance, despite the duty reductions.

Anglo-Nfld. Firm Expects Big Year

Prospects of the Anglo-Newfoundland Development Company's paper mill at Grand Falls indicate another year at full capacity.

Last year produced the largest tonnage of any of the 25 years the company has been in business. Capacity operations turned out 164,976 tons of newsprint, about 12,000 tons more than in the previous year. All production is sold to the London "Daily Mail."

Some indication of contribution the company makes to general welfare of the island is evidenced in the $55 millions it distributed in salaries and wages up to the end of 1934, and in the volume of its purchases which amount to well over $1 million annually and have, on occasion, reached a peak of $1.8 millions.

A new paper shipping terminal, through which the company moves a portion of its output, has recently been completed at St. John's.

St John's City Is Trade Centre

Oldest City in North America Is Heart of Newfoundland

A city of almost 40,000 people, St. John's is the centre of Newfoundland's government and the key city in the colony. It bears the proud distinction of being the oldest municipality in North America and the first British capital outside of Great Britain.

St. John's has elected its own city council since 1888, the only community in the island to boast a municipal executive. A. G. Cornell, formerly acting chief magistrate, was elected mayor by acclamation in 1934 for a term of five years.

The bulk of the commercial and industrial life of Newfoundland centres around St. John's and more than two score industries are located within its limits. The chief branches of the four Canadian banks which serve the country are in the city which is also the home of the government of Newfoundland Savings Bank. A natural, land-locked harbor has made St. John's the centre of Newfoundland shipping.

Hydro-electric power is supplied by the Newfoundland Light & Power Co., in conjunction with United Town Electric. Other utilities are provided through the St. John's Gas Co. and the Avalon Telephone Co. A splendid water supply is secured from Windsor Lake, five miles from the city.

In the last fiscal year, some improvement in the financial situation was shown with ordinary accounts revealing a surplus of revenue over expenditure of $53,506.

Development In Labrador Going Ahead

Lumber Operations Show Big Increase in Few Years

Development in Labrador means largely the activities of the Labrador Development Co. And business of the Development company is increasing by leaps and bounds.

The company began lumber operations in Labrador in the summer of 1934. In that year some 10,000 tons of wood, largely pitprops, were shipped. Last year the output doubled, and for 1936 it is believed that shipments will aggregate between 40,000 and 50,000 tons.

In addition to the Labrador development, the company also has an interest in Newfoundland itself, some 80,000 tons of wood being exported from the island in 1935. It is anticipated further large shipments will be made during the current year. The company holds contracts for the sale of 150,000 tons of wood annually to the end of 1938, most of which it is expected will be taken from Labrador and Newfoundland. The market for this wood was formerly supplied by the Baltic countries.

The company's settlement in Labrador, a small township at Hope Simpson, is expanding rapidly. It boasts all the usual amenities, including a well-stocked store, hospital and community hall. The latter building is being used for educational purposes until the school which the government has undertaken to build has been completed.

While the peak number of employees last year rose to 600, the permanent population, including women and children, has been about 450. It is expected, however, that at least a similar number who can be regarded as permanent residents in the new settlement will be there this winter.

Resume Geodetic Survey With Increase in Staff

The geodetic survey of Newfoundland, begun last year, was resumed this month. The survey which is being carried on by arrangement between the commission of government and the Canadian government, will be conducted this year by a larger staff and survey parties will be increased. Completion is expected in 1940.

In 1935, 27 triangular stations were established between Cape Ray and Bay of Islands. This season, work will continue from the latter point to the Straits of Belle Isle and subsequently to St. John's. For an additional check on the stations established last year, a four mile base line cut out at Cabbes will be measured.

"Co-op" Housing

Railway Association Has New Angle to "Own-Your-Own-Home" Venture —Project Is Unique

One of the most interesting developments in Newfoundland is a successful co-operative housing scheme. Unique in its field, this ambitious venture is fostered by the Newfoundland Railway Employees Welfare Association, a body which, while not technically linked with the railway, confines its membership to railway employees.

The housing project was initiated back in 1931, with an "own-your own-home" campaign. The purpose was to promote purchase of homes through a monthly rental payment plan. Financed from the reserves of the various auxiliary bodies of the association, 16 houses were bought, and rented to members. The outcome of the experiment was such that it was felt operations should be on a much larger scale.

Subdivision Purchased

Consequently, an entire subdivision, measuring some 4,400 feet, was purchased just outside the limits of St. John's city. Here, although within a mile of the railway station, they are on the other side of the taxation boundary.

On the site were built 38 homes in 1934 and a further 87 last year. There remains sufficient land to build 55 more and applications to hand are many more than sufficient to provide occupants for these when constructed. At the moment, construction is held up because additional funds are not available. Cost thus far has mounted to more than $300,000, the funds emanating chiefly from the Bank of Montreal and the Newfoundland Savings Bank which have granted credit on preferred terms. A relatively small amount has come from the reserves of the association itself.

Four Types of House

Dwellers in the railway subdivision were given a choice of four homes, varying in size, in type of construction, and, naturally, in cost. The most expensive home was built at a cost of $3,200. It comprises four bedrooms, bathroom, sitting room, dining room, kitchen and basement. It is a two-story building, overall dimensions 24 by 36 feet, of wood construction with concrete foundation. Thirty-two have been constructed.

Although the monthly rental charge varies, of course, the method and principle of payment is the same for all types. Take the house described above. Rental is $30 a month. This includes interest, insurance and water service—the association has built its own water main at a cost of $18,000. After these charges, the balance of the payment is set up as an equity to reduce the principal cost. In the first year, about 50 per cent of the payment was applied to amortization of the initial outlay. In subsequent years, this proportion will increase as a part of the initial cost will have been paid off and the interest charges will be less.

Amortized in Ten Years

It is anticipated that in, say, ten years time the total outlay will be absorbed and the occupant of the home will then be able to obtain legal ownership of the building on payment of a nominal sum of $1.

The two houses of the second type bring a rent of $25, and differ from the first mainly in respect to interior trim. The third group are not plastered, but are finished in local spruce. The 40 which have been erected each rent for $20 a month. The fourth class includes homes similar in construction, but differing in cost according to location. The 16 which have been built on corner lots are worth $16; those in less favored spots, $15.

Retail Store

To advance still further along co-operative lines, a co-operative store has been set up in the new community. Opened last November, it has been appreciated and utilized not only by dwellers in the model village but by members of the association as a whole. Practically all necessary commodities are kept in stock, and those not handled may be purchased through it. Prevailing prices are paid for the merchandise, a dividend being distributed at the end of each year representing profit on operations. A mail order department has also been found necessary in the store.

Originally begun as a small sales proposition, the store, manned by nine clerks has come to the point where even in its present enlarged scope it is not adequate to meet the demands for its services. Consequently, expansion is contemplated.

The venture has been practicable only because the problems of overhead and administration have been solved. The entire scheme hasn't cost a penny from the administrative angle. Originating with J. Ryan, secretary of the association and assistant general manager of the railway, between 700 and 800 ideas and construction details were given consideration before the actual building programme was begun. During construction rigid supervision was maintained to ensure that all specifications were being met.

All accounting routine is carried out in the railway offices. Monthly rental payments as well as premiums to the various benefit auxiliaries promoted by the association, are deducted from payroll sheets, giving complete cheque control. In the 8 years in which payments have been made to and by the association, involving a total of some $400,000, only 80 cents has been handled in cash.

Many Conveniences

The new settlement is really a community to itself. It boasts all conveniences except gas, yet apart from water and sewerage levies, its dwellers are tax free. St. John's street car service is within 5 minutes walk. Fire protection is looked after by the insurance companies, as is the case in urban St. John's. About the only thing yet lacking is a name.

Only railwaymen are eligible for "citizenship" at present, but this restriction cannot permanently be strictly enforced. In the first place, when ownership is acquired—and homes may be purchased outright at any time—the house may be sold or bequeathed to whomever the owner may wish. Discharge of an employee by the railway need not necessarily mean the loss of his home. The tie-up between the railway and the association is such that discharge by the former does not cost membership in the latter. If, however any member fails to pay his rent for two successive months, he loses all rights.

Other Features

Housing is but one of the features offered by the association, which incidentally has a membership of 1,850, 98 per cent of the railway's staff. There are other mutual enterprises, including death and sickness benefits, savings and providence fund, and education fund, which provide practical incentives to membership.

The parent benefit auxiliary was organized in 1927, then the education fund and the sickness fund. Contributions to the latter fund are made on a pro rata basis of one per cent of earnings. In the eight years the fund has been in operation, $104,000 has been distributed in claims.

Death benefits were begun only three years ago. Principal amounts range from $500 to $2,000, on which premiums of $14.40 a $1,000 are paid. To date 16 claims, totalling $11,000, have been met.

Doubt Success Elsewhere

While officials of the association are naturally gratified at the measure of success which has rewarded their housing venture, they do not feel that the project is universal in application. As mentioned above, the key factor in development of the plan has been the absence of administrative and overhead charges. In circumstances where these advantages do not prevail, possibilities of successful outcome are very greatly reduced. A combination of almost ideal conditions and efficient organization has brought about in Newfoundland what is probably the only co-operative housing project of its kind in the world.

CORNERSTONES IN NEWFOUNDLAND'S GROWTH

THE Corner Brook newsprint paper mill and Deer Lake hydro-electric plant continue their annual contribution to the industrial growth of Newfoundland.

Yearly normal production of Corner Brook mill 175,000-180,000 tons of newsprint paper.

Yearly normal production of Deer Lake hydro-electric plant 800,000,000 kilowatt hours of electric energy.

Normal Wage and Salary Distribution in Newfoundland each year — $3,500,000.

Average value of Supplies purchased in Newfoundland each year — $260,000.

Average Taxes ($150,000), Rentals, Freight, Express, Postal and Telegraph Services, and Duties paid to the Newfoundland Government each year — $325,000.

Total average amount spent in Newfoundland during a normal year on operation only — $4,085,000.

Average number of employees in mill area — 1,050.

Average number of men employed in woods during the logging season — 3,000.

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ST. JOHN'S
NEWFOUNDLAND

Newfoundland Trucks Have Registration of 691

Truck registrations in Newfoundland in 1935 totalled 691, of which 102 were new vehicles.

Ford truck registrations numbered 262, Chevrolet 177 and Dodge 30. The remainder are spread over some 29 models.

New truck sales in 1935 were as follows:

Registered New Trucks
1935

Ford	46	Dodge	7
Chevrolet	18	Fargo	5
Bedford	3	Diamond T	2
Stewart	10	Leyland	10
		International	1

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Public Works On Big Scale Under Way

Government Undertakes Numerous Construction Projects

EYE TO FUTURE

An active programme of construction is being carried out by the department of public works in the Newfoundland government.

Major undertaking is a trans-island highway. While it will probably be from 5 to 7 years before this undertaking is completed two important links on the western part of the island from Grand Falls to Badger and from Deer Lake to Cornerbrook, will be completed this year and in all some 50 miles of new road, and about 15 miles of retread work in the Avalon Peninsula are planned for this summer. It is felt that the highway, when completed, will be invaluable in opening up the country, and in boosting tourist traffic.

An effort is being made to provide good, permanent roads. Robinson's Bridge, recently completed, is also part of the new highway, although it is in advance of actual road construction. Extensive bridge renovation is being effected.

Marine Construction

A 5-year plan to determine the necessity and importance of public works in various parts of the country is also under way. A new marine inspector has been taken on for this purpose, and a survey of existing wharves and breakwaters begun to formulate a more definite policy in respect to their building and upkeep. A number of wharves were extensively repaired last year and the King's wharf at St. John's was completely rebuilt.

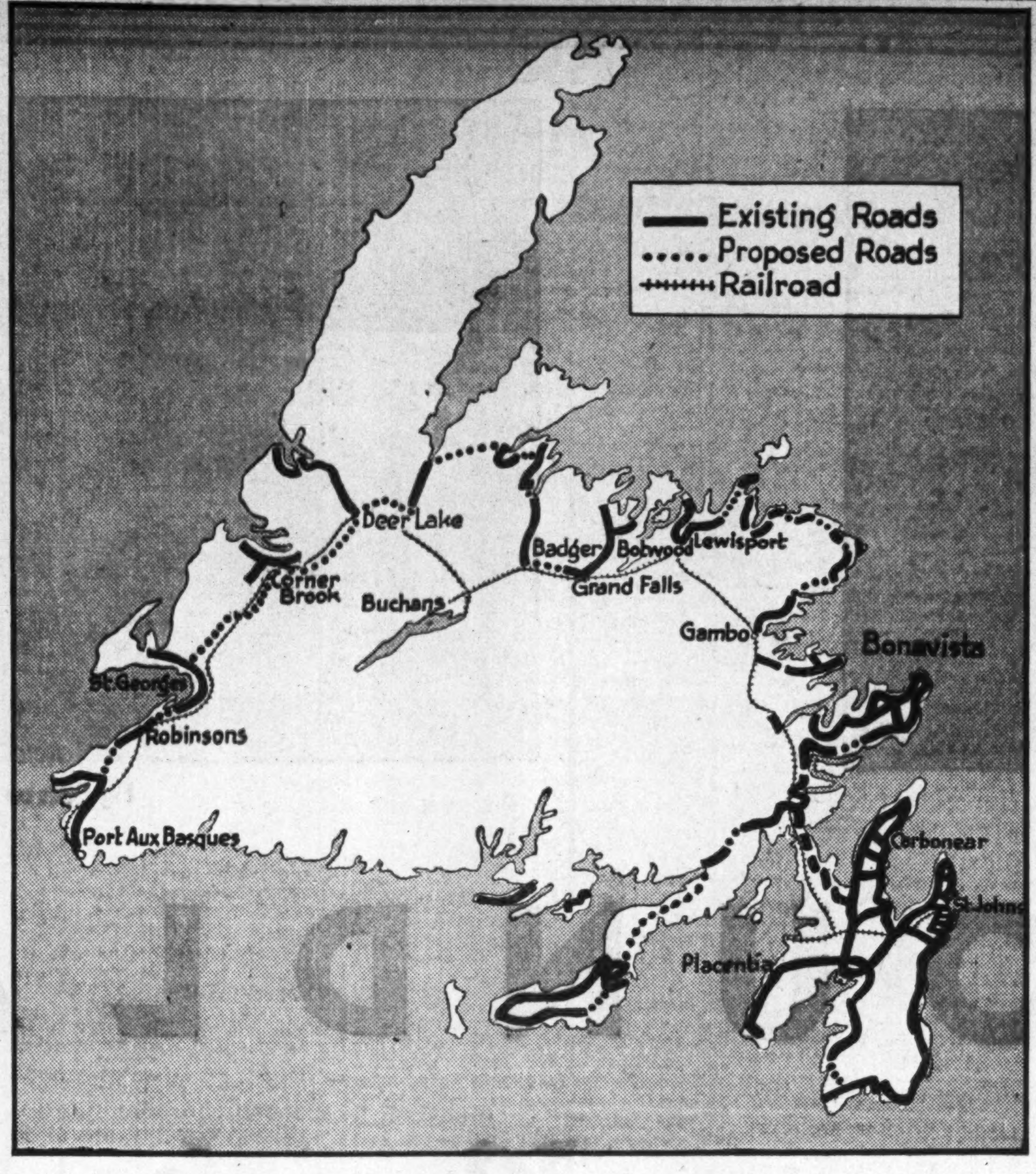
Other marine construction includes a radio beacon at Twillingate, a new flashing light at Cape St. Francis, and new fog alarms at St. Anthony and Red Bay. About four new light installations, and more reconditioning work, are contemplated for next season.

Inland Work

Inland, there has also been a substantial amount of government construction. Four cottage hospitals have been completed; three more, at Burin, Harbour Breton and Burgill, are at present under construction; and an eighth, at St. George's, will be built next year.

East and west wings of the Sanatorium have been renovated and enclosed verandahs provided.

Police accommodation has been the object of two building projects. A new barracks has been built at St. John's and rangers' quarters at Whitbourne.



HIGHWAY CONSTRUCTION

One of the most important undertakings in Newfoundland is construction of a trans-island highway, to be completed in from five to seven years. Long advocated, both as a means of opening up the country and to give impetus to the tourist trade, plans have been completed and work begun.

This summer two sections will be completed joining Badger and Grand Falls and Deer Lake and Corner Brook. These roads were cut last year and will now be graded and ditched. Necessary bridges will be of concrete construction. It is possible that a further 40 to 50-mile stretch of road will be cut this summer for completion at a later date. Considerable re-tread work will be carried out mainly in the Avalon Peninsula.

The above map outlines the proposed route and shows the existing highways.

Newfoundland Offers Unusual Vacation Charm

In respect to tourist trade Newfoundland has been referred to as "the last undiscovered country."

From the tourist's angle this designation is far from uncomplimentary. For it signifies, not that the country is lacking in attractions—these are unexcelled in any country—but rather that the island presents a refreshing contrast to those more familiar tourist Meccas where beauty and sport have been in some measure at least sacrificed to financial expediency.

Last year 10,000 visitors summered in Newfoundland, of whom 6,000 are counted bona fide tourists. The majority, about 60 per cent were from the United States, some 30 per cent from Canada and the remainder largely from Great Britain. To date this season enquiries have exceeded those of a year ago by 50 per cent. With new, modern steamship facilities, and greater activity of the Newfoundland Tourist Bureau, a considerably larger number of tourists are expected this summer.

Exceptional Fishing

Sport fishing and hunting lure most visitors to Newfoundland. The country has been long and justly famed for the salmon and trout which abound in the many streams which dot the interior. Accommodation in lodges is available at reasonable cost or sportsmen may take advantage of a unique offer made by the Newfoundland railway. A party may book a pullman car, complete with cook, guides, etc. The railway will almost go so far as to supply the fish, as if fishing is disappointing in any particular stream, the next train along will pick up the pullman and switch it off at another stream wherefisherman's luck may again be put to the test.

One feature which has tended to depress the colony's tourist trade is lack of highways. Good roads cover the Avalon Peninsula, but it is impossible as yet to cross the country by motor. However, a journey cross country on the railway is attractive. The scenery along the relatively unsettled railway route is unexcelled anywhere, and accommodation will be found to be all that could be desired.

Historical Background

While the scenic and sporting attractions of the country have been the subject of considerable comment there is another attraction, which has received practically no publicity, yet which is of definite interest—the historical background. About the island are clustered numerous settlements rich in folk lore which is unknown outside the country. Relics of almost priceless historical significance are treated with ordinary carelessness by local folk who do not appreciate their value.

Such a community is to be found at Placentia. Outside the usual beat of tourists, this town was the ancient French capital of Newfoundland. It has virtually been lost sight of by the outside world, apart from the stories of conflict back in the 17th and 18th centuries between the French and English, which have been retained in the history books.

Situated on beautiful Placentia Bay, Placentia boasts the largest available beach on the island for the drying and curing of fish. When it is considered that 500,000 quintals of fish, roughly 112 pounds or 60 fish to a quintal, the quarrel for ownership of the beach seems only natural. While at the beach, the tourist can obtain a thorough insight into the procedure of curing and exporting fish. It will provide a most interesting afternoon, particularly if some of the older fishermen can be coaxed to tell of their experiences.

Winding about the corkscrew-like streets of the town, a rigid test for the most skilled driver, the ancient church — seating capacity 50 — is reached. Featuring the historical relics to be found there is a plaque bearing the coat-of-arms of King Charles which was presented by the king when the building was first constructed. This plaque, of extreme interest to collectors, hangs unnoticed on an old rusty nail in an extension that was built to the church some 50 years ago.

Folk Lore Abounds

In the tiny cemetery on the church grounds will be found sufficient lore to satisfy the most exacting traveller. Tombstones bearing dates as early as 1620 and 1640 are common. Inscriptions are of unusual significance some of them amusing. Perhaps the prize stone is that to ——— "the illegitimate son" of one of England's kings. Some of the tombstones are carved in Basque and cannot be translated by any of those now living in the territory.

A few years ago, an ambitious collector of the unusual, successfully made away with a small headstone dated 1645. Reports which have since filtered back indicate the stolen piece bore the efforts of one of England's most famous stone carvers, and that an appraisal placed its value at more than $2,000.

Centuries-old Home

For the collector or any one interested in antiques, the Blenheim House, the oldest house in Newfoundland, adds to the pleasures of Placentia. Built more than 300 years ago, the house is still in sturdy condition and occupied by descendants of the original occupant. Interior appointments of the house are entirely of teak and mahogany. Every piece of wood used in construction was imported from England. Furnishings are complete in all details, even to china and cooking utensils. Porcelain, worth fabulous prices, and costly paintings and carvings decorate the house exactly as it was hundreds of years ago. Except for recently installed electric lights, one might easily imagine himself transported back to the year 1635.

The visitor to Placentia should be careful not to trip over old cannons. Mute reminders of the skirmishes of centuries ago, they are to be found in most unexpected spots, wherever the respective armies cast them aside when in retreat. Some are on the roadside, on beaches, some in the water, even—rather ironically—in the cemetery.

Of the many attractions offered by Placentia not the least are those offered by nature. In addition to the beautiful countryside, and exceptionally fine fishing, a most interesting, if at times dangerous, phenomenon is the action of the waves hurling stones for some distance from the shore. Where the highway winds near the water, particular care must be taken to avoid injury.

These are a few of the attractions of Placentia. Other sections of the country have their own unusual traditions and customs. A vacation in Newfoundland is filled with the unusual and will prove of exceptional value.

Gander Area Paper Plant Is Discussed

Await Announcement Respecting Rich Timber Section

GOVERNMENT HOPEFUL

An announcement by the government in respect to a third paper mill in Newfoundland is expected in the very near future.

Ever since 1906 there have been spasmodic rumors that the Gander area would be worked, the last just before the depression when Hearst interests were in negotiation for purchase of the property. With the onset of the depression and the drop in newsprint prices, hope of mill construction was temporarily abandoned.

In March, however, Commissioner of Public Utilities Thomas Lodge stated that although realization was still in the lap of the gods, he was more hopeful of establishment of a new industrial enterprise which would allow adequate exploitation of the remaining timber resources of the island than at any time since his arrival. Subsequently, Mr. Lodge visited England with paper mill negotiations admittedly one of the main purposes in view. What developed from his visit has not yet been revealed.

Rich Timber Area

The Gander areas comprise about 5,000 square miles of timberland granted to the Reid-Newfoundland Co. in 1898 in payment for construction and operation of the railway. Chief interest in the property is now believed to rest with Alan Butler of de Havilland fame. Logged for sawn timber up to 1906, the reserve has been practically untouched since then. It is reported that almost virgin growth exists on the limits. There is uniform agreement that the Gander areas represent perhaps the most valuable piece of pulpwood growth in Newfoundland.

The small head of water has been one of the greatest obstacles to development. Gander Lake is only 75 feet above sea level and 30 miles from tidewater. In 1927-28 engineers of International Power and Paper (Nfld.) made a study of its hydro-electric possibilities, but apparently did not favor development. Some contend that any hydro-electric development is more likely to be at Baie d'Est, on the south coast in Hermitage Bay, where International holds power rights, rather than at either Glenwood or Indian Bay, where one ambitious scheme was proposed to divert the waters of the Gander River by erection of a 75-foot dam.

Rumor has it that International Power is behind the present interest in the property. Newfoundlanders are of the opinion that International has always wanted to secure rights to the property. In 1928 an act was passed by the government in power, creating the Gander Valley Co. and granting certain rights and freedom from duties on construction materials and machinery. It was understood at the time that International was interested in the proposal, which fell through with a change of government and the advent of depression.

If the mill actually is established it should prove of major benefit to the country. Not only will it substantially increase employment, providing an outlet for those whom the fisheries can no longer support, but it would be of great value to the railway in adding to revenues, and to the country at large in creating additional purchasing power.

More Interest Is Being Taken In Gold Mines

Number of Claims Rises Sharply in Early 1936

3 MAIN PROSPECTS

More active interest is being taken in Newfoundland gold mining. The number of gold claims staked in the first three months of 1936 exceeded the total for the year 1935. Many have been staked in the Canada Harbour area. At present, the most promising areas appear to be those at Sops Arm, Mings Bight and Cinq Cerf. Some development has already taken place at the first two of these, and the Cinq Cerf property was a copper prospect years ago.

At Sops Arm, a quartz vein carrying copper, lead, zinc and iron sulphide has been uncovered. From present indications, gold here is concentrated with galena. Assays which have been made average about 0.45 oz. a ton, roughly $17 at current gold prices. The vein has been exposed for 800 ft. on surface and a shaft has been sunk 20 feet. A mill test of 50 tons is being taken out, after which a more accurate picture of prospects will be available. Base metals are not believed to occur in commercial quantities.

English Option

The property is optioned to an English company, Anglo-Newfoundland Investment Trust. The option is for two years, and if exercised guarantees the original holder a 20 per cent interest, and a similar allotment to the Trust, with shareholders of the operating company subscribing for the remainder. A bond has been posted to cover assessment work.

In 1934 work was resumed at a gold property at Mings Bight which had been operated some 30 years ago. At that time, a gold brick valued at $1.500 was produced. The shaft had been sunk 150 ft. and one drift made at the 100-ft. level when activities were discontinued. Present development is purely exploratory.

Cinq Cerf Property

At Cinq Cerf, a property owned largely by Toronto interests, no work is being done at present, although it has unofficially been announced that the mine, which was begun 30 years ago as a copper prospect, will be revived this year for gold. Nothing was produced in previous operation, although a shaft was sunk which encountered a bornite vein from the surface down carrying appreciable gold values. Immediately to the north, is the quartz zone which appears to strike in the same direction as the sheer zone and carries native gold.

There has been no extensive prospecting for gold in other areas, although a number of claims have been staked in the Canada Harbour territory. The government plans exploration of this section this summer.

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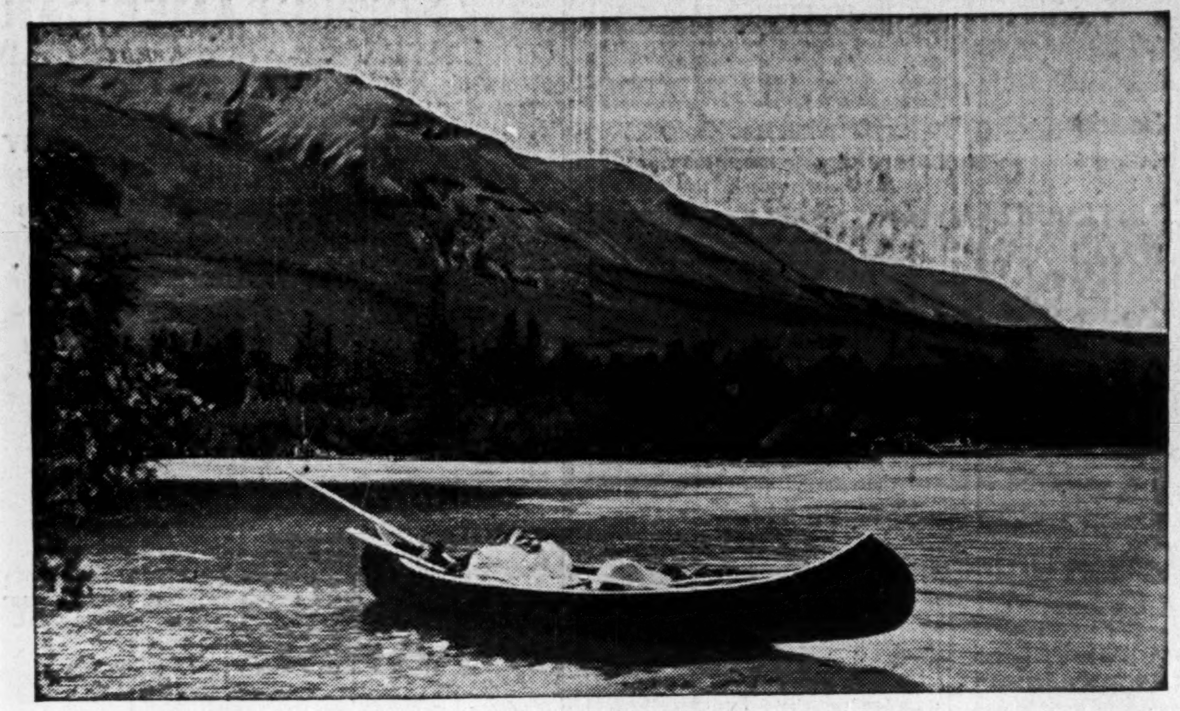
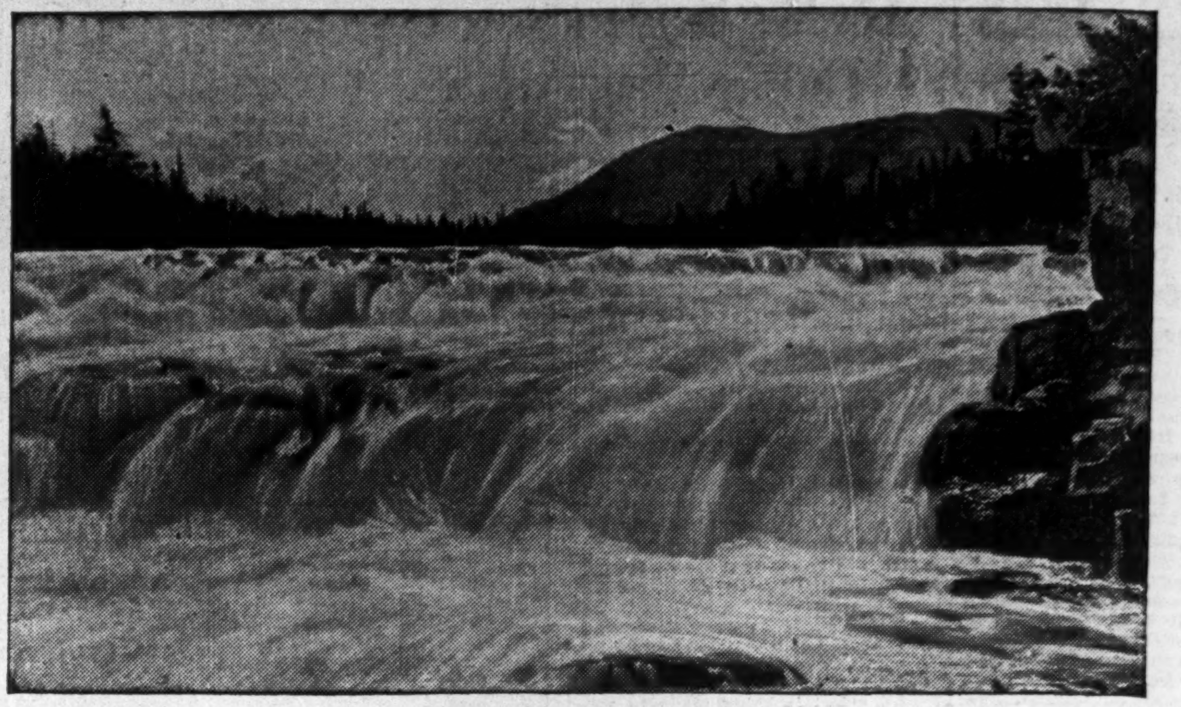


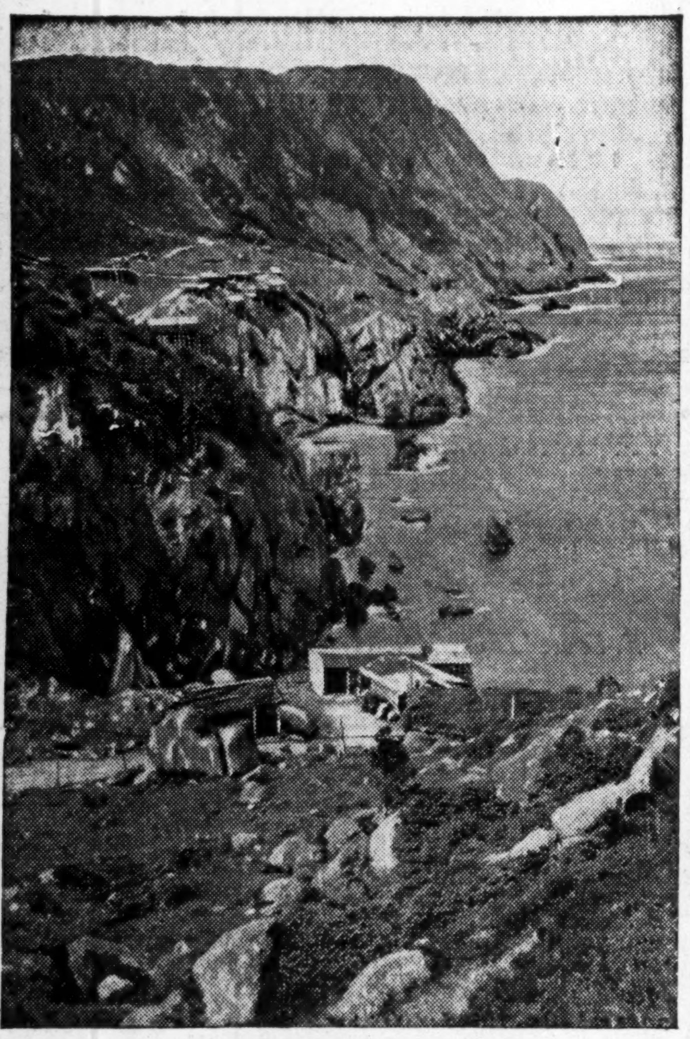
Along Serpentine River



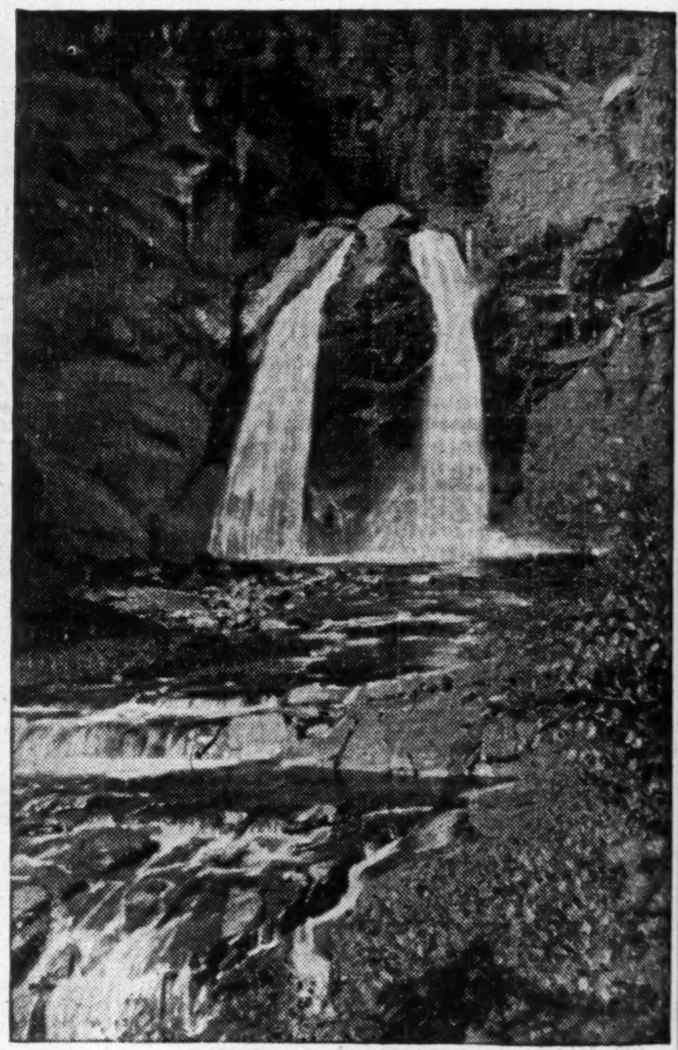
Big Falls on the Serpentine

NEWFOUNDLAND

A Vacation Paradise



Coastline at Logey Bay



Falls on Canyon Brook

AN IDEAL summer holiday, combining the pleasures of an ocean voyage with those of travel in a land of unsurpassed scenic beauty is offered by Newfoundland, "The Norway of the New World." Yet, it is a holiday which is different. It may be possible to duplicate the rugged grandeur of her landscape, but where this is so, the country has generally reached the position of a Mecca for tourists. Not so with Newfoundland. Although her attractions are being recognised by an ever increasing number of visitors, the simple beauty of Britain's oldest colony remains unmarred by artificial lures.

SPORT IS UNEXCELLED

Newfoundland adds to the majesty of her scenery unrivalled sport for fishermen. In her myriad interior streams teem salmon and trout — big fellows — which will test the skill of the most accomplished enthusiast. Restrictions are few, and access to the best streams is afforded by water route through fine camping areas, by rail and to some spots by highway.

Then there is the absorbing historical background of the country. Little publicized, this attraction is an unusual delight. Relics of early settlement days are apt to be stumbled upon in the most unexpected places, lending additional enchantment to the picturesque fishing villages. And many are the stories which can be unfolded by descendants of those who lived in Newfoundland centuries ago.

IDEAL CLIMATE

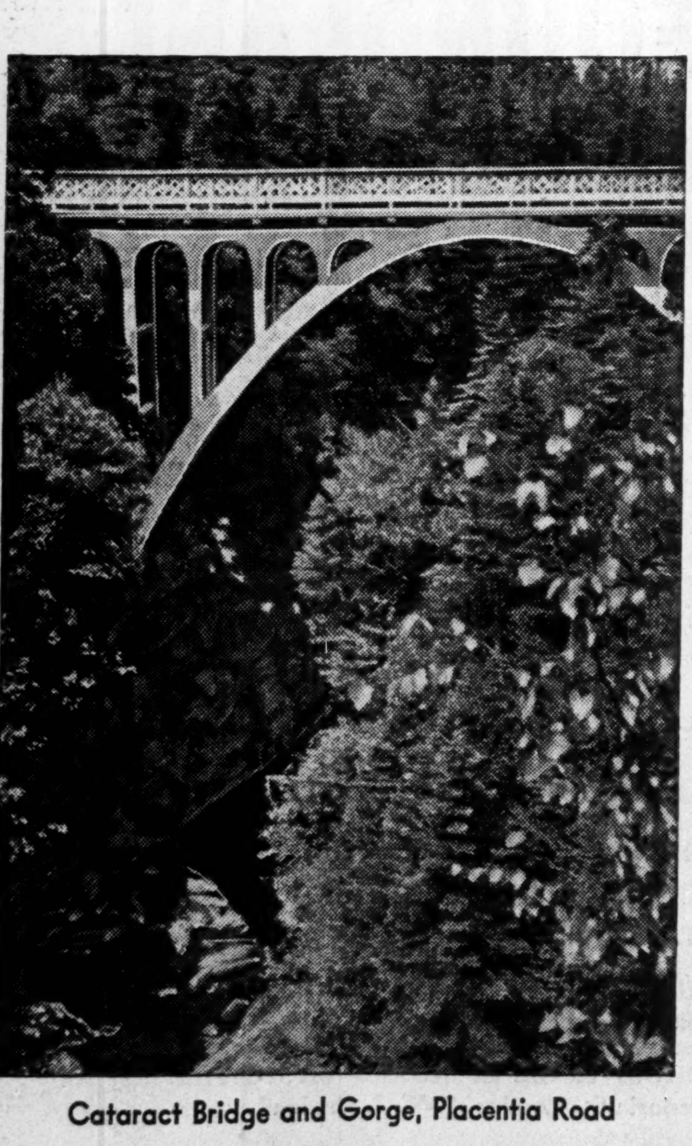
Apart from the glamour of her scenery, sporting attractions and historical background, Newfoundland can boast many other features. A summer climate provides clear sunny days and cool evenings. The temperature rarely rises above 85 degrees and is tempered by cool and refreshing sea breezes. Hotel facilities are adequate and of the first order. And certainly not least, the hospitality of her people is far and justly famed.

For those who prefer a touch of the more conventional, the city of St. John's offers first class golf and tennis. This city, the business and legislative centre of the island, presents on the one hand metropolitan business institutions and a magnificent harbour, and on the other a beautiful park, with scenic showplaces within a few minutes drive.

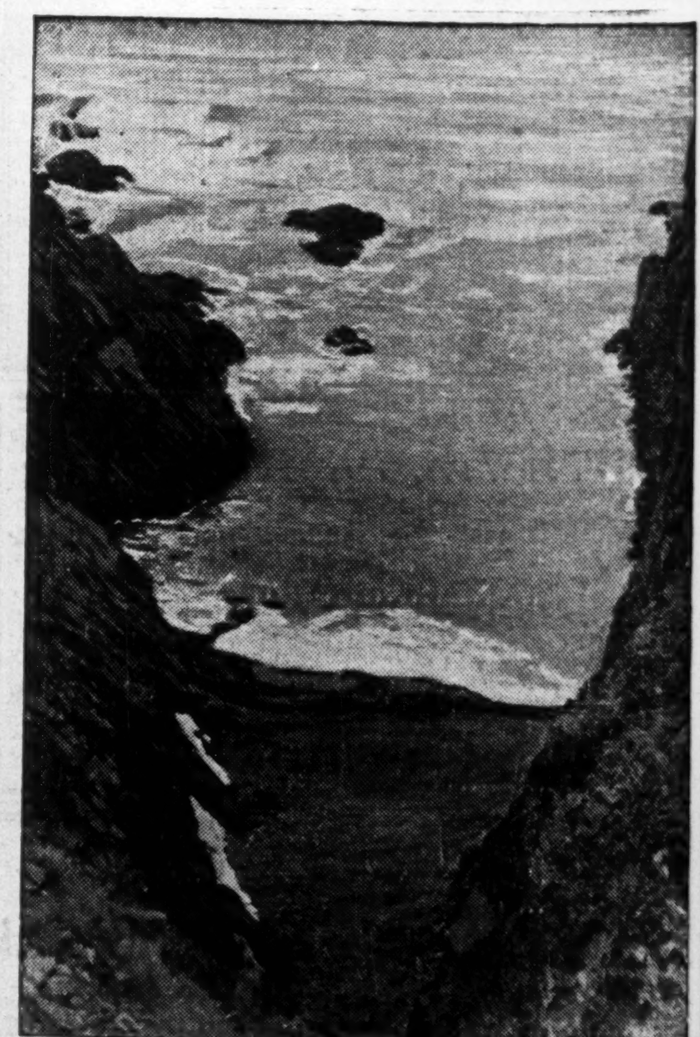
ROUTES ARE VARIED

Easy of access, Newfoundland can be reached in a few days sailing time from points in the United States, Canada and Great Britain. Entry may be made either at St. John's, Port Aux Basques or Corner Brook. A favourite route is to enter at any of these points, proceed through the heart of the country via the government railroad and sail from one of the other ports.

Additional information will be furnished gladly by the Newfoundland Tourist Development Board, Board of Trade Building, St. John's; the Newfoundland Information Office, British Empire Building, 620 Fifth Avenue, New York; the Newfoundland Railway, St. John's; or any Travel Agency.



Cataract Bridge and Gorge, Placentia Road



A Cove on Conception Bay

Much Depends Upon Outcome Of Land Plan

If Successful, Economic Problem Seen as Solved

HAS MANY CRITICS

To find new land, agriculturally speaking, in Newfoundland, is the purpose of the government experiment being conducted at Markland. The name itself is most significant. Translated from the Norwegian, Markland means Newfoundland, and is generally accepted as the old Norse name for the island.

To obtain a proper balance of production, to provide an outlet for the folk whom the fisheries can no longer support, to obviate the import of so much agricultural produce at extremely high prices, to assist in rehabilitation work; these are the aims of the venture. Markland itself is regarded as the forerunner of a number of similar schemes. Two are at present under way, and additional projects planned for this summer. But it is Markland which is generally considered the focal point in the government's land settlement scheme.

Bordering the "Grange" farm of the late Sir Robert Bond, at Whitbourne, Markland nestles in one of the island's most picturesque beauty spots. Virgin land, wooded with small groves of spruce and balsam firs, and dotted with a few small lakes and streams in which salmon and trout abound, the area may well become a tourist centre. The settlement was laid out by the same man who planned St. John's famed Bowring Park.

Bitterly Opposed

Markland is probably the most bitterly criticized innovation of the commission government. It has been said that only those connected with its administration and those actually placed on the land have a kind word to say for it; that 99 per cent of the people are definitely opposed. While these claims are probably considerably exaggerated, that a large majority views the entire plan with a very jaundiced eye is irrefutable. This criticism has not been without effect. The original intention of providing for some 1,000 families has been limited thus far to about 175.

Briefly, the Markland plan is this. Families are taken from the dole, placed on a homestead, the men set to work clearing and cultivating land, the women given a course in housework, and the youngsters provided with an education. Houses, maintenance, supplies and equipment are provided by the government, with the expectation that eventually they will be paid for by the recipients. No wages are paid—perhaps it would be more accurate to say that wages are paid in kind.

$300,000 For Land Projects

To date, well on to $300,000 has been spent by the government in land settlement work as a whole. Much of this has gone for equipment and stock. It is estimated that thus far the cost per Markland family has averaged $800. This figure includes the cost of a house, and maintenance of and medical assistance for the family.

To promote land settlement a specially created government department, the Land Settlement Board, was set up. Members of the Board believe that in, say, six years time, a Markland family will be producing $500 annually, and that his expenses will run to $400, leaving a balance of $100, which will be applied against his debt to the government. After a family has liquidated its debt to the government, it will be given a freehold grant on the property by the government. It is proposed that inhabitants of the settlement work together in paying off equipment expenses.

The key to the situation, of course, is: Can the farmer show a profit above his expenses? In other words, since a ready market seems available, is the land sufficiently fertile to yield a profitable crop? Most of the contention in regard to the plan centres about this question.

60 Per Cent Marsh

Markland is 39 square miles in area. But of this, some 60 per cent is marsh land. The remaining 40 per cent is fairly well timbered, and in the opinion of proponents is quite arable and as suitable for the purpose as any on the Avalon Peninsula. Cultivation, of course, entails clearing, stumping, seeding, and tilling. However, the government has hopes that even the marsh area may eventually prove fruitful agricultural land. A plan of bog land reclamation is said to have met with considerable success in Scotland. The scientist in charge of the Macaulay plan there has visited Newfoundland and has reported favorably on the possibility of similar work.

May Need Fertilizer

On the other hand, those who criticize the undertaking contend that the Markland area, or as some have put it, the Marshland area, is absolutely no go as an agricultural centre. Even after clearing, it is claimed, cost of fertilization necessary to make the soil fruitful would be prohibitive.

The experiment began in 1934, when a group of prominent St. John's citizens was approached by a few ex-soldiers and its aid solicited in placing them on the land. It was explained that they had made application to the government, and had been refused, apparently because there was no control on expenditure of money and development of land which the government would have to provide for the project. The St. John's group agreed to act as trustees if the venture could be widened to include ten men.

Early Progress

Sufficient others were rounded up to make up the required ten, and work on clearing the land was begun. Until houses were built, the men lived in tents. However, as time went on, the project appeared to be meeting with a good measure of success, and the government became interested. The major difficulty was that the experiment was on too small a scale to prove really conclusive. Consequently, more families were included, a manager appointed, and the experiment placed under government supervision.

There are 120 families, about 600 persons, in Markland. Area now under cultivation is about 110 acres. That is, average family has one acre of productive land. Eventually it is hoped this area will be increased to five acres, possibly larger. Until the present, farming has been general, as land clearing has necessarily occupied a great deal of effort. At some future date, however, specialization of production is contemplated, some in dairy farming, some in livestock, and so on. Last year, sufficient potatoes, turnips, and cabbages were grown to meet the community's own needs.

Taken From Dole

There has been no particular selection of families. They have been taken as far as possible in order of application. The lists were closed, however, after 2,500 applications had piled up. Very few have had any agricultural experience. All were taken from the dole. A number have been found wanting. These have been replaced. On the whole, however, there has been a noteworthy increase in morale and a much better attitude assumed. Nine of the original ten settlers are still in the community.

The settlement includes a store, where Marklanders are permitted to take goods up to a certain value in lieu of wages, a hospital, and two schools, in addition to the homesteads. Internal organization divides the farmers into groups of 25, each with a specially trained manager. This promotes a spirit of friendly rivalry in bringing the land into cultivation.

Emphasize Education

Basically designed as a long term project, great care has been taken in educating the children. The youngsters are given a practical training based largely on the Scandinavian system. Most of the basic subjects are included in the curriculum, but some are taught in unconventional manner. Geography, for instance, is taught to little children from folk songs, the country and people being described in the words of the song. Subjects such as manners, drill, cooking and sewing take precedence over algebra and Latin. Each child has a garden of its own to look after, a preliminary to a course in agriculture which will be developed.

As mentioned above, Markland is only the first of land settlement projects. Since it was initiated, two others, one of 30 families at Haricot and the other of 25 families at Lourdes, have been promoted. Two more will be started this summer, each with a unit of 25 families. It is believed that some of the minor mistakes which have been made at Markland will be avoided in these later settlements.

Government's Attitude

The government's attitude was clearly put by T. Lodge, commissioner for public utilities, in an address this spring. "If Newfoundlanders want to live in Newfoundland," contends Mr. Lodge, "they must in the end be content to live on what they can extract from the soil or the sea. . . . I do not suggest that Newfoundland is an ideal place for farming. I have no doubt that a visitor from Mars would choose one of a dozen other countries if he wanted to raise produce, but the Newfoundlander—even in Heaven—weeps to come back . . . I see no fundamental reason why in Newfoundland the man who wants to work and who has enough land at his disposal cannot out of that land extract a tolerable living . . . Newfoundland could raise ail the sheep and all the cattle necessary to provide meat and clothing for people. It could raise nearly all the rest of natural foods . . . I honestly and sincerely believe that only by a sensible policy of land settlement are we going to get a sound foundation for the economic life of the island."

Realize Difficulties

Difficulties are realized. The settlers are impoverished, taken from the dole, not accustomed to agriculture, in poor physical condition, not selected for any particular ability. However, the government feels that these are obstacles which can and will be overcome. To support their case, those backing the experiment quote with enthusiasm favorable comments by such observers as Ramsay MacDonald of England and Professor Ogg, the man behind the Macaulay experiment in Scotland.

Apart from their contention that the soil is not sufficiently fertile, critics put forward a number of reasons which to them make the experiment appear foolhardy. A comment frequently voiced is that the settlers, not farmers at heart, will return to their chosen occupations as soon as conditions warrant.. There have been numerous complaints in regard to management and so on.

Much of the criticism was to be expected, probably was anticipated by the government when Markland was inaugurated. Some of it, undoubtedly, is justified. Much appears premature. Two years, much of which have been occupied in preparing the land for cultivation, are hardly an adequate period on which to base final judgment. If successful, Markland will be of enormous economic importance to the Newfoundland of the future, and the cost will be justified many times over. If a failure, the scale on which the government has entered the plan may prove to have a major bearing on the country's development.

Mineral Value Soars With Price Recovery

Mining output values in Newfoundland soared in 1935.

Improvement in base metal prices was a major factor in an advance to 65 per cent above the 1934 level. Although zinc output, for instance, was considerably less than in the previous year, value was up almost 100 per cent. Similarly with lead and copper.

Tonnage of iron ore increased sufficiently, however, to show an increase of 160,000 tons in total minerals produced at 1,131,988. Value of production was $5.8 millions, compared with $3.5 millions in 1934. These figures include output of iron ore, base metals, limestone and fluorspar.

It will be noted that in the following table giving the output of the various minerals fluorspar and limestone are given an arbitrary valuation for customs purposes.

Mineral Production

Source:	Commodity:	1935		1934	
		Tons	Value	Tons	Value
Belle Island	Iron ore	726,335	$2,004,675	506,162	$1,397,017
Aguathina	Limestone	220,760	220,760	253,492	253,492
Buchans	Lead concentrates	40,120	1,607,406	46,500	827,588
"	Zinc "	140,773	1,869,624	162,396	974,041
"	Copper "	481	22,041	1,308	23,902
"	Table "	441	50,646	434	16,185
St. Lawrence	Fluorspar	3,077	18,462	2,100	12,600
		1,131,988	$5,793,613	972,392	$3,504,825

No Interest Cut By Newfoundland

The Newfoundland Savings Bank is currently paying twice the interest on savings paid by the Canadian chartered banks. The reduction effected by the Canadian banks the beginning of this month was, of course, also applied by their Newfoundland branches. The Newfoundland Bank, however, made no reduction from its three per cent rate.

The bank has the right to refuse deposits, and should the volume of funds on deposit reach a point where it could no longer be profitably invested, this right might be exercised or interest rates might be reduced. Officials state that this point does not appear imminent. The bank, contrary to general belief, carries out its own investment programme. It does not re-deposit funds with the Canadian institutions.

Lower Output Assists Sale Of Wood Cut

Experts Differ on Prospects of Sawn Lumber Export

MOSTLY SOFT TYPE

Lumbering operations in Newfoundland were less extensive in 1935. Although actual figures on the total cut are not available. It is estimated that about 40,000 cords are annually consumed by the sawmills.

Operators consider that the relatively low output last year was in the best interests of the trade. Usually the cut has been too great. In 1935 it was not quite enough. As a result, the price situation began to right itself. Construction of paper sheds at Port aux Basques and St. John's, of the housing unit of the Railway Employees Welfare Association, and for government projects, was instrumental in creating considerable demand.

Some complaint has been lodged against those on relief cutting timber. It is charged they chop a few cords, and dump them in the St. John's market, having no proper conception of prices.

Export Prospects

Most lumber, apart from pitprops in which a growing foreign trade has developed, is for domestic consumption. However, investigation is being made in respect to export trade.

Those in the trade are divided in opinion as to the possibility of outside markets for sawn lumber being developed. Some claim the island has never been, and never will be, a lumber country. Others are of the opinion that, properly capitalized and with adequate facilities and machinery, there is no reason why an export trade should not be promoted. Most of the timber is small wood, spruce, fir, and birch, with a little pine.

Timber Resources

Of Newfoundland's 42,000 square miles, some 15,000 may be classified as forest land which carries, or will carry, a merchantable stand of timber. The great bulk of the timber is soft wood, suitable for manufacture into newsprint. It is estimated that slightly more than half the timber area is held under some form of grant, lease, or license. These leased areas carry about three-quarters of the country's merchantable timber.

Holders of the areas pay rentals to the government at $2 a square mile annually, and there is a clause in almost all leases calling for wood cut from the properties to be manufactured in the country. The whole of the pulpwood supply of the two large paper mills is from areas held on these terms.

On the stands still directly held by the government, an inspection was made last year to ensure that timber was cut on most profitable lines. Every attempt is being made to conserve and improve the standard of timber which is still available. Forest conservation is a subject which is being dealt with more vigorously, and permanent benefit is anticipated.

It has been estimated that cutting, hauling, driving and other handling of the entire forestry cut employs 2,500 men annually. Turning this wood into paper, lumber and other products brings total employment to about 4,000 men. This is apart from the indirect employment afforded shipbuilders, carpenters and other trades.

To encourage the lumber industry in Labrador a loan of $200,000 was made from the Colonial Development Fund. In the 1934 season, 12,000 cords of wood were cut; in the 1935-36 season estimates run up to 43,800 cords.

Trans-Ocean Air Service Raises Hopes

Newfoundland Expects To Be Base on Atlantic Route

EXPERIMENTAL STAGE

While the practicability of Newfoundland as a base in the proposed transatlantic air route has not yet been proved, keen hopes are held that it will eventually be a port of call. The entire venture is still in the experimental stage, however, and many obstacles, particularly weather hazards, are still to be overcome.

An airdrome will be built this summer at Cobbs Camp, west of Benton on Gander Lake, to provide facilities for test flights which are expected to be made in August. The Cobbs Camp field will alternate with Botwood, which will be used as a base for flying boats, depending on the season.

The new airport will cover a surface area of about 2½ million square yards, of which about 1 million will be in runways, covered with a bituminous mixture. There will be a six way take-off. North and south runways will be 1,500 yards long and 400 yards wide, and radiating from these will be four others each of the same dimensions.

The planes which will be used in the test flights, two of which have been ordered by the United Kingdom air ministry, will have a maximum speed of nearly 250 miles an hour, and a cruising speed of more than 200. They are powered with four Gipsy four-cylinder engines, each machine with gross weight of 25,000 pounds.

Captain Douglas Fraser, who has been loaned to the British government by Imperial Airways, has recently conducted observations in Newfoundland in connection with the trans-oceanic venture. Following these observation flights a number of experimental flights had been anticipated this year but due to the lateness of the season it is probable that these will be cut down.

Benefits to Mail Service

The immediate benefit to be derived by Newfoundland from an airport is not considered to be very great. The construction of the buildings would, of course, give some employment. Apart from this and those permanently employed at the grounds, the chief benefit would appear to lie in faster mail service. This particularly from the American continent is slow, only two deliveries a week being made. There may be other, more indirect benefits, however. If a passenger service is begun, travellers may quite well be impressed favorably by the industrial possibilities of the country, or by its tourist attractions.

While the Newfoundland route is but one of three possible, it seems probable that it will be the one chosen if weather conditions can be met. The extreme northerly route via Iceland and Greenland would only be practicable for a short period each year. The southerly route via Bermuda and the Azores, while free from weather hazards, is much longer. One expert has stated that the choice lies between bringing London and New York within 48 hours of each other by taking the Newfoundland course, or a three-day service over the southern route. With modern steamers capable of crossing in four or five days, it would appear that speed is almost a requisite.

Visit of Inspection

Last summer, Newfoundland was visited and inspected by officials of the British air ministry, who are reported to have been favorably impressed with the Botwood area as an air service terminal. This area is in the fog free zone, and weather hazards would be minimized in locating there. At Cobb's Camp, a site was also surveyed with a view to laying out a port for the use of land planes. Meteorological officials reported on the weather reporting facilities of the island and made recommendations for their expansion.

Gov't Services Reorganized

Revenue Jumps, Expenditures Fall in Half Year

The department of post and telegraphs has been completely reorganized both at St. John's and throughout the country. A number of post offices where neither accessibility nor volume of business justified maintenance have been closed down. Telegraph offices have been converted to wireless or telephones as the case demanded, ensuring more economical working. Courier services have also been revised and placed on a more equitable footing.

Accounting procedure has been entirely remodelled and inspection and auditing has been effected in about 90 per cent of the outport offices. Surprise checks are made monthly on St. John's offices.

For the first half of the fiscal year ending this month, a decided increase in poth postal and telegraph departments was recorded. In the period, revenue was $315,024 as compared with $264,370, a portion of the increase being attributed to sales of Jubilee postage stamps. Expenditure amounted to $349,093 a reduction from $396,237 in 1934.

Salmon Shipments

During the 1935 season, 443,833 pounds of fresh salmon were moved by the railway express to and from St. John's and 370,505 pounds through Port aux Basques, a total of 814,338 pounds as compared with 818,363 pounds in 1934.

Smelt Season

During the past smelt shipping season, 78,625 pounds were shipped to North Sydney, as against 81,600 in the previous year.

Profit on Operations Railway Probability

Economy Cuts Deficit from $700,000 to $30,000

Newfoundland has tackled a railway problem, which in a number of respects was similar to that in Canada, and has come to the point where an operating surplus is a probability for the current year.

The Newfoundland railway, the country's largest public utility, proved a failure under private ownership and was taken over by the government in 1923. At that time, however, the government also assumed its debenture obligations, so that management has been concerned solely with operating accounts. This, in itself, was a large factor in reducing the deficit which had run about $1.5 millions annually under private management.

Loss Cut to $30,000

Nevertheless, in 1930-31 there was an actual loss on operations of more than $700,000. To a country of less than 300,000 people, this was naturally a very severe burden. Last year, the loss had been cut to $29,984, and figures available suggest that the current year's results may be written in black.

One feature which looms large in elimination of the huge deficit is the freedom from political interference. Officials of the road have been given a free hand by the government, with the result that political domination is completely lacking.

Officers under whose direction the improvement has been effected modestly attribute the credit to the willing co-operation of employees. One expressed it thus: "The former 'to hell with the public' attitude has been converted into eagerness to serve." When it was first suggested the railway might be so operated as to show a surplus, the ambitious "dreamers" were scoffed at—were told that with the long winding road through a sparsely settled country it was impossible Steady plugging has made the dream a reality.

Economy Campaign

In a campaign to reduce expenses, locomotives of the older, more expensive type were discarded, giving way to more economical replacements. Derailing with its consequent expense and loss of time, has been practically eliminated, whereas they were at one time an important item in the railway expense account.

Two branch lines, some 150 miles of track, were cut out entirely, having shown a substantial deficit over a period of years.

Economies were effected right down the line. Fuel costs are an example. In the past 11 years almost $1 million has been saved on the railway fuel bill. In 1925, the average cost of fuel per mile was 38¼ cents. Since then the average cost has been 29 cents. In 1935 it was 26½ cents.

The human element in elimination of waste and promotion of savings has not been neglected. A monthly bulletin is issued to employees in which is outlined the costs of various operations and different types of equipment. In this way, an indication of the loss to the road by carelessness or inefficiency has been imparted.

As a result of the economy campaign, operating costs, which, when the government took over, were $4.50 a mile, had been reduced to $2.74 last year.

These economies were not effected at the expense of operating equipment. During the period, equipment has been well maintained, with more being spent on maintenance than in prior years. Back in 1923 all platforms were of wooden construction; all are now modern, more permanent. Water was supplied by a pumping service; now gravity is employed.

No Rate Increases

It was found necessary to cut wages only once, in 1931 This cut was partly restored last year, and the rest will be given back as soon as conditions permit. Nor were rates increased. In fact, passenger rates were cut a cent a mile in 1933.

In addition to its operations over 750 miles of track on the island, the railway is in charge of 12 steamers.

Iron ore, ore from Buchans, paper and pulpwood, and general merchandise, much in that order, are the major freight items carried by the railroad and steamers combined. In all, the railway employs about 2,000 men in winter and 2,600 in the summer months.

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The Week in Mining

Boom Enters 6th Month Are Danger Signals Up?

Mood Buoyant But Market Vultures Abroad—Profits Show Big Jump

With the Dominion Bureau of Statistics' weighted index on mining issues at the highest point since the series was started in 1926, the current mining boom enters its sixth month in as buoyant a mood as it entered its first.

Whether brokers will be proved correct in predicting that the boom will last all summer can only be answered in the fullness of time. It should be remembered, however, without any disparagement to the profession, that in such matters brokers have a habit of looking at the mining situation in terms of the Toronto Mining Exchange. Experience in past booms has shown, however, that it sometimes needs a little bit of hard puffing on the part of the area north of latitude 46 for it to keep pace with the Toronto Mining Exchange.

There are in the wind certain straws which have in the past indicated that the peak to the boom is not far off. Not the most insignificant of these straws is the re-occurring prevalence of the tipster sheet or the surfacely respectable "house organ." It may be that the Ontario Securities Commission and similar provincial bodies are aware of the situation and can prevent a re-occurrence of the high pressure conditions prevailing in the fall of 1934. For the sake of the market it is to be devoutly hoped so. A few over-puffed and over-sold penny stocks can do untold harm to an enthusiastic market.

Railway Tangle Tighter

With the Canadian Pacific Railway branch line charter partially restored at Quebec, and a second charter to build in the north-western mineralized area of that province also meeting with the approval of the legislature, the railway tangle in the Noranda-Rouyn-Senneterre field is now regarded as more hopeless than before.

It appears that three charters may be granted to build railway lines through this area this year. The Canadian Pacific bill, restricted by the committee of the legislature last week to a short line between Angliers and Noranda, is now extended to Senneterre. The Quebec Goldfields Transportation Co. has a bill before the legislature to authorize a railway from Mont Laurier northward to Amos.

It will do the area little good to have triplicate lines. If as seems probable the days of the Taschereau government are numbered, the two bills in Quebec may receive a setback, and a delay in the enactment of the provincial charters, would give the federal government, backers of the C.N.R., a great advantage, inasmuch as the National Railways branch line will be under construction by midsummer.

* * *

God's Lake Brightens

Activity in the shares of God's Lake recently is attributed to the new mineralized zone encountered on the third and fourth levels, about 1,125 ft. west of the shaft.

Officials in Toronto were not in receipt of values or other details at press time and were reluctant to give prominence to the news from the west. Nevertheless the development appears to have some significance, inasmuch as the new discovery apparently bears no relationship to known zones. Details of the discovery will be awaited with interest.

* * *

Barry Tries Come-back

One of the features of the week's market has been the slight but noticeable revival in old Barry Hollinger stock, which has lain dormant for many months. Due to the fact that it was fairly well known that the property at Boston Creek, south of Kirkland Lake, had practically petered out, buyers had not been plentiful, and in January of this year, operations were suspended. With the acquisition of the Matheson Mines Ltd., with property near Matheson on the T.&N.O., and the encouraging preliminary results obtained, the stock snapped to life, and reached a high of 10 cents per share.

Whatever may have been the past record of Barry Hollinger from a promotional standpoint and whatever may be the outcome of the new venture, shareholders cannot help but pay tribute to the faithfulness of Dr. Herbert Greene, president, and the present directors who have for years worked without recompense of any kind except the hope of enhancing the value of their shares. Dr. Greene had personal options on the Matheson property, and legally, would probably have been justified in asking a fair price for it, especially since all preliminary work had been done by him at his expense. However, Barry now has a 70 per cent interest in the new venture, and starts with a fairly clean sheet.

* * *

Company Earnings Up

In the current monthly bulletin of The Toronto Stock Exchange, it is noted that mining companies reporting annual statements for the last fiscal year showed an aggregate increase in net earnings of 38.40 per cent at $61,371,791. The first 153 companies reporting, which represent a good cross-section of both mining and industrial activities of the Dominion, showed an aggregate increase in net earnings of 14.97.

The gain shown by the mining companies is due to new gold mines coming into production, increased earnings by the more recently established producers, and higher profits of several of the big base metal mines. Deficits of the group were cut in half at $880,298.

* * *

Death Takes Heavy Toll

In recent months the mining industry has lost an unusual number of its outstanding men, through accident or natural causes.

In a week, two men whose names were known to all Canadian mining men have passed on: Brigadier-General J. Duff Stuart, killed in an automobile crash in British Columbia, and John Hays Hammond, who died of a heart attack at Gloucester, Mass.

While the most outstanding exploit of John Hays Hammond was his participation in the Jameson raid, one of the immediate causes of the Boer War, his climb from obscurity to a multi-millionaire mining man forms an equally fascinating tale. Incidentally, the late Mr. Hammond had, in the course of his world travels, visited the Cobalt camps of Ontario during the boom days. If we remember correctly he said "thumbs down' on Nipissing, but later revised his opinion. His autobiography skims over the first episode; but refers to the second.

The late General Duff Stuart was one of the Pacific coast's most prominent mining men, being connected with a score of mining ventures. Besides being a director of Pioneer Gold Mines, he was president of Reward Mining Co., Cariboo Consolidated Mining Co. Cariboo Goldfields Ltd., and Standard Consolidated Gold Mining Co.

About a year ago one of The Post's editors visited the B. C. Nickel property with two men: Robert Cromie and Duff Stuart. Both have died within a month.

* * *

Int'l Mining & Hard Rock

It would be interesting to know what International Mining Corp., wide-spread exploration and holding company, did with its Hard Rock Gold Mines stock during the recent boom in these shares. International, as at Dec. 31, 1935, held 27,500 shares of Hard Rock in its portfolio, which at that time had a quoted value of $8,203. At the 1936 high mark of $3.20 per share, these holdings would have been worth $88,000, and would have represented a profit of nearly $80,000.

* * *

Index to Mining Stocks

An advance of four points in the general index of mining issues placed this index at 156.6, and replacing last week's record for the period since the series was inaugurated in 1926. The comparative index for the week ending June 6, 1935, was 124.8.

With the exception of Beattie and God's Lake, all of the gold stocks were higher, some of them realizing gains of a substantial nature. The index for this group was 135.0 for the week of June 4, as compared with 130.7 for the preceding week and 117.9 for the corresponding week last year. This new high level brought the gold index to about the same position occupied in October, 1934.

A steady increase in prices for base metal issues during the past month, resulted in the index recovering most of the ground lost in the two final weeks of April. The index mounted from 243.6 for the week of May 28 to 246.3 for the following week. For the same interval in 1935 this index was 155.9.

Bousquet Mill Hits Its Stride

Expect First Returns Below Mine Average

From Our Own Correspondent

SUDBURY.—The new 50-ton mill of Bousquet Gold Mines in the West River district, is giving satisfactory service in its initial performance, according to word from the mine, and it is expected to have the plant at full capacity shortly. The mill was brought to regular production a week ago.

On the second or 300-ft. level stopes are being prepared for production, the backs having been broken down for a distance of about 100 ft. A sump has also been cut at the first level. The mill is being fed for the time being from the ore and rock dump, containing approximately 2,000 tons from development operations, and first returns are naturally expected to be below mine average.

Engineer to Examine Property of Grozell

In connection with the offer of Kirkland Lake Gold Mining Co. to purchase the property of Grozell Kirkland Gold Mines, on a share exchange basis, R. G. O. Thomson, president of Grozell, informs shareholders in the annual report that a report on the property will be made by John A. Reid, Toronto engineer. When Mr. Reid's report is in, a shareholders' meeting will be called, and the offer of Kirkland Lake Gold considered.

Kirkland Lake Gold already holds 1,796,136 shares in Grozell, out of 2,671,891 shares outstanding. The offer, dated May 19, 1936, called for an exchange of shares on the basis of one share of Kirkland Lake Gold for each 10 shares of Grozell.

During 1935, 3 holes were drilled from the surface with a total length of 512 ft. to check work done some years previously on the Grozell property. The results obtained did not warrant further expenditure, Mr. Thomson states.

The balance sheet as at Dec. 31, 1935, shows current assets, consisting of cash, of $4,526, against no current liabilities.

Photo—Blank & Stoller.

SILVER AND EGGS

Affairs of the Canadian Commodity Exchange, trading in silver, butter and eggs, will be guided by Grant Johnston (above) during 1936-37.

Sullivan Con. Opens 4 Vein Over 50 Feet

Plans Under Way For Increasing Capacity of Mill

ORE $17.50 TON

According to an official report, the No. 4 vein at Sullivan Consolidated Mines has now been opened up for a length of 80 ft. to date on the second level. The ore averages .5 ounces gold to the ton or $17.50 at current gold prices.

Based on previous diamond drilling, officials are of the opinion that there is a possibility of this vein developing considerable length on this level.

The No. 2 or main shaft has now reached its objective to the 5th level; crosscutting on the two bottom levels will be started simultaneously.

Officials report that changes are being made in preparation for increased production.

Output Shows Steady Climb At Paymaster

Milling Rate Increased to 381 Tons Daily

SHIPS $473,170

Total bullion shipments of $473,170 were made by Paymaster Consolidated Mines, Porcupine producer, in the period from November 11 to May 31, shareholders are told in a progress report.

The figures reflect steadily increasing production, with ore coming from both the Heinze and Dome Lake shafts.

In the Dome Lake shaft, sinking to the 1,575 ft. level has been completed and new levels have been opened up at the 1,450 ft. and 1,575 ft. horizons. Of the total 3,584 ft. of drifting, crosscutting and raising done in the period, 50 per cent was reported in ore.

In the Heinze shaft a winze has been completed from the 425-ft. level to open up 4 new levels below. A total of 1,269 ft. of drifting, crosscutting and raising was done, with 21 per cent of the work in ore.

Since the last progress report was issued in November, the milling rate has been increased until the average number of tons milled per day in May was 381.

E. H. Walker, vice-president, points out in the report that surface work and drilling has been started by the Empire Gold Mines, in which Paymaster has a substantial interest, on its property adjacent to McIntyre Porcupine.

Major Gen. D. M. Hogarth and Joseph Errington have been added to the board of directors.

North Shores Sold; New Company Formed

Shareholders of North Shores Gold Mines, at a meeting in Toronto recently, approved a by-law disposing of all the assets and liabilities of the company to a new company to be incorporated under the name of North Shores Mines (1936) Ltd. The new company will have an authorized capitalization of two million shares, $1 par value. North Shores Gold Mines will receive one million shares of the new company, on a basis of one share in the new company for 3 shares in the old company. This stock will be pooled for a limited time, as approved by the Ontario Securities Commission.

In the statutory information in the prospectus of the new company, it is stated there is outstanding against the property a mortgage in favor of Schreiber Gold Mines Limited, to secure payment of $30,000, payable without interest, out of one half of the net profit from production. This same section of the property is subject to a charge in favor of North Shores Investment Syndicate for $10,000, bearing interest at 10 per cent per annum, payable half yearly, and falling due December 1, 1937.

COMPANY CHANGES

Hedley Crest Mines—Company was dissolved April 27, 1936. B. C. Gazette, May 7, 1936.

Northern Aerial Canada Golds—Incorp. February, 1933. Notice given that surrender of charter was made May 18, 1936. Ontario Gazette, May 9, 1936.

Threat Looms Of Three Lines For Gold Area

Quebec Reverses Decision on C. P. R.'s Application

FIGHT GOES ON

The problem of transportation into Quebec's mining fields became even more entangled when the Railway Committee of the Quebec Legislative Assembly, reversing its decision of a week ago, gave authority to the Canadian Pacific Railway, through its subsidiary, the Temiscamingue and Abitibi Railway Co. to build a railway from its present terminus at Angliers to Rouyn, and from there as far as Senneterre, on the C. N. R.'s transcontinental line.

Meanwhile, however, legislation has been introduced in the Federal House by the Minister of Railways covering an extension of the present Canadian National Railways branch line from Senneterre to Rouyn, an estimated distance of 99 miles at an average cost per mile of $60,000 and an estimated total cost of just under $6 millions.

If this legislation goes through, and both C. P. R. and C. N. R. construct their proposed lines, it will mean virtual duplication in the section between Rouyn and Senneterre.

While this section of Quebec has 40 gold properties, 12 of which are actually in production, and is considered a possible source of profit for one railway, it is considered doubtful if two lines can be operated at a profit.

Strongly Opposed

Originally, the bill approved in Quebec, asked that the Temiscamingue and Abitibi be allowed to build from Angliers into Rouyn or Noranda, and from there to Senneterre and from Senneterre northward into the Chibougamau region where important mineral development work is being carried out by Consolidated Mining & Smelting Co., a subsidiary of C. P. R.

This proposal was strongly opposed by the Canadian National, which claimed prior rights to the mining region. By dropping the application for the third section, the applicants were successful in securing approval of the bill.

C. N. R. to Go Ahead

Meanwhile legislation has been introduced in the Federal House by the Minister of Railways covering an extension of the present Canadian National Railways branch-line from Senneterre to Rouyn.

In introducing the bill the Minister explained the Government road had a charter for such a line but it expired two years ago. The new line's construction would have the effect of completing a loop into the mining country by extending eastward the present line and connecting back to the National Transcontinental at Senneterre.

Complicating matters still further the railway committee of the Quebec Legislative Assembly has given approval to a bill of the Quebec Goldfields Transportation Co. which proposes establishing railway facilities in the region lying north and northwest of Mount Laurier and as far north as the National Transcontinental Railway. This line would pass through the same mineral field.

Quebec Goldfields replaces the Abitibi Southern Railway Co. which was incorporated in 1925, but which, after extensive preliminary survey work, found itself in a conflict of interests which halted construction.

Plan of Development

As matters are now, the company will build from Mont Laurier in a northerly direction as far as Amos, via Val d'Or and a branch line will run out 40 miles in length from Maniwaki, the terminus of the Canadian Pacific Railway Line, even as Mont Laurier is the terminus for another C. P. R. branch. Another extension will be built from Amos to Senneterre.

The original project also included a branch from Noranda to the Senneterre and a line from Amos or Senneterre into Chibougamau but the promoters agreed to drop these two sections of the original project.

The company is to commence construction within 18 months and complete the line from Mont Laurier to Val d'Or by May 1, 1940, plus the branch from the main line to Maniwaki. The company must build 25 miles of line out of Mont Laurier before it can commence construction from Val d'Or southward.

Barry Hollinger Drills Matheson

New Developments Revive Stock on Toronto Market

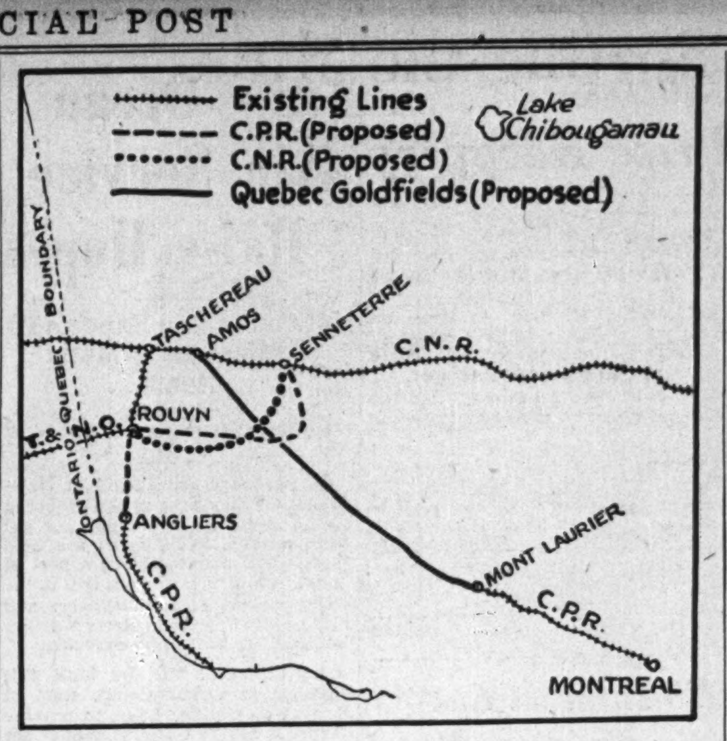
Barry Hollinger Mines has sold 100,000 shares of treasury stock for $6,702 net, the company has informed the Toronto Stock Exchange.

In the balance sheet issued as at March 31, 1936, the company showed 3,510,375 shares issued, including 204,500 shares held by the company and company bankers. With the sale of the new stock, which was sold on the market, Barry would have, therefore, about 389,625 shares left in the treasury.

The proceeds will go toward financing development of the newly formed Matheson Mines, in which Barry Hollinger will have a 70 per cent interest. The property of Matheson Mines consists of 400 acres near Matheson on the T. & N. O. Preliminary work has, it is understood, been largely financed by Dr. Herbert Greene, president of Barry.

Dr. Greene, recently returned from the property, states that drilling is under way. At time of writing five holes have been put down to get formation, and two more are to be drilled. Values are not yet available, but Dr. Greene states the vein has been intersected at 127 ft.

In the meantime, marketwise, the stock of Barry has, on the strength of developments at the Matheson property, had quite a little flurry, rising from a low of about 3 cents for 1936, to a high of about 10 cents.



TANGLE TIGHTENS

As matters now stand, three railways will have permission to build lines into the northwest mineral area of Quebec. Hopes of a compromise waned when the Quebec legislature last week reversed its former decision and granted the C. P. R. permission to continue its proposed line from Rouyn to Senneterre. The above map shows how the three lines proposed would triplicate service into the gold area east of Rouyn.

See Million Dollar Season For New Athabaska District

From Our Own Correspondent

REGINA.—With air and water navigation open to the Athabaska gold field a big season has started. As an indication of money that will be poured into this area within the next few months, Consolidated Mining and Smelting Co., will spend, it is reported, around $500,000. By the time the other companies have their financial allotments lined up it will appear to be a million dollar season for Athabaska.

Just as soon as possible Smelters will move in a 500-ton mill from a B. C. plant now dormant and if the property shows up as a good producer, other equipment from the same plant will be sent in. A Diesel engine will be used for power purposes until such time as future operations demand vastly increased motive power then power sites will be developed.

The federal government it is understood is undertaking to improve the channel at the mouth of the river by dredging so as to allow unimpeded traffic as long as the season lasts.

Another feature of geological operations in Northern Saskatchewan this summer will be the exploration of the vast shield between Athabaska and Flin Flon on the eastern border of the province. Federal parties will travel north. Exploration work will also be carried on north of Churchill River, in an area midway between Athabaska on the west and Flin Flon on the east.

Packsack Gold Reports Find

H. R. Drummond-Hay, president of Packsack Gold Mines, reports to The Financial Post that interesting new finds have been made on the property in the Rice Lake area of Manitoba. The head-frame is completed, and steam-driven hoist is being set up. Sinking by hand will be resumed shortly and continued until a Diesel compressor can be installed.

Hollinger Nears Goal At Horwood

From Our Own Correspondent

SUDBURY.—Entry of Hollinger Consolidated Gold Mines into the Horwood Lake area northwest of Sudbury, where the company is sinking a 600-ft. shaft on the Smith-Thorne claims, has resulted in the institution of exploration work on territory which so far has not been open to prospecting.

Several groups are doing surface work over a wide area. The territory comprises five townships, Whigham, Coppell, Newton, Dale and McOwen, which were given as land grants to the Algoma Eastern Railway, and which were not turned over to the Canadian Pacific when the latter acquired the Algoma line. It is understood the Hollinger has taken an option on the townships, which the Algoma Eastern has sold to a Montreal syndicate.

The Hollinger shaft on the Smith claims has now reached a depth of over 500 feet, and will be continued to its objective of 600 feet before the four levels are opened, and it will be midsummer before lateral work is well under way.

Jamieson Shareholders Will Get Tiny Hill Units

David Siddall, formerly manager of Jamieson Exploration and Development Co., informs The Financial Post that Tiny Hill Syndicate, has been formed to take over certain groups of claims formerly belonging to Jamieson Exploration.

Jamieson Exploration and Development Co., being in financial difficulties, was faced with losing title to its various properties. Mr. Siddall, who was manager of Jamieson, but not a director, restaked the Byers Township property and formed the syndicate to hold title to it. As vendor, Mr. Siddall received 20,000 units of the 35,000 no par value unit capitalization. From the vendor stock it is planned to give Jamieson shareholders one unit for every 20 shares in Jamieson held. This will, of course, not involve the surrender of the Jamieson stock, and is more in the nature of a bonus distribution. After making this distribution, it is expected Mr. Siddall will hold about 6,900 of the units. A private offering is shortly to be made, The Financial Post is informed, for the remaining 15,000 units.

The distribution is subject to application and the offer expires June 1, 1938.

Old Properties In Shiningtree Are Shaping Up

Bilmac, Churchill and Shinintree Gold Get Results

From Our Own Correspondent

SUDBURY.—With the acquiring of new capital, persistent efforts have been renewed in the West Shiningtree area to prove up old properties to a point where production programme would be warranted. At present 3 companies, prominent in recent years, are again engaged in exploration work.

Bilmac Gold Mines, which a year ago did considerable underground work, is now dewatering the workings and will undertake a programme of drifting and crosscutting at the lowest level, 420 ft., with exploration also on the first level, at 170 ft. Bilmac has two good surface showings, traced for a distance of about 2,800 ft., and these occurrences have yielded ore of fair grade as result of underground work. The mine is well equipped, with a hoisting equipment capable of taking care of requirements to 1,500 ft. in depth.

At the Churchill Mining & Milling Co., the renewed programme of underground exploration continues to provide encouragement, according to official statement. Recently, driving east from the shaft crosscut, a new vein was encountered, and at last report an average quartz width of 3.5 ft. was exposed in nearly 100 ft. of drifting. Visible gold was reported at several places along the drift. North from the east end of the drift on the new vein a crosscut has been started. Churchill has a small Straub mill of about 15 tons daily capacity. At present only one machine is working underground.

Shinintree Gold Mines has been meeting with success in development of its property, the former Bennett claims. A shaft has been sunk to 100 ft. with hand steel, and drifting is in progress in both directions on the vein, which remained in the shaft for the greater part of the distance. Some ore has been encountered in these operations, and the management is hopeful of developing sufficient tonnage for production, announcement having been made that continuation of the present results will warrant a small milling plant before the end of this year.

COTTON FABRICS AND YARNS

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Buchans 1935 Output Worth $3.5 Millions

Capacity operation is in effect at Buchans base metal mine in Newfoundland.

Although production last year dropped from that of the previous season, rise in prices of concentrates shipped by the company meant a sharp rise in revenue. Thus, while production declined from 210,638 tons to 181,815, value advanced from $1.8 millions to $3.5 millions.

Last year, Belgium was once more the company's chief customer, her lead and zinc purchases accounting for 60 per cent of the total. Following in order came the United Kingdom, the United States, France and Germany. The following table gives actual figures of shipments to the various markets.

Concentrates Shipped, 1935

	France $	Germany $	U. K. $	U. S. $	Belgium $	Total $
Copper	......	......	......	22,041	......	22,041
Zinc	309,127	......	528,055	......	1,032,442	1,869,624
Lead	......	110,973	......	383,846	1,112,586	1,607,405
Table	......	......	......	50,646	......	50,846

In the concentrates shipped, gold and silver is present to some extent. In some cases these can be separated from the concentrates profitably and the smelters pay the company for them. Gold and silver content in zinc concentrates, however, cannot be separated and their value is not included in the above figures. Gold and silver content in the various concentrates last year was as follows:

Gold and Silver Content

Recovery from concentrates from which they can be profitably separated:

	Gold oz.	Silver oz.
Lead	5,527	551,596
Copper	42	12,540
Table	1,540	8,065
	7,109	572,201

Recovery from concentrates from which they cannot be profitably separated:

	Gold oz.	Silver oz.
Zinc	5,847	552,179

It is thus noted that in 1935 over half a million ounces of silver and 5,847 ounces of gold, estimated figures, were lost because they could not profitably be separated. Since Buchans has been operating, it is estimated that 37,857 ounces of gold and 3.2 millions of silver have been produced for which the company has received no payment.

Coniagas Mines Offers Rights

Shareholders Are Granted Pamour Stock at 20 Cents

Coniagas Mines is offering shareholders of record June 16, shares of Pamour Porcupine in the proportion of one share at 20 cents per share for each 20 shares of Coniagas held.

These rights will be null and void after Sept 1, 1936.

Coniagas obtained its Pamour stock through rights offered Coniaurum Mines, in which company Coniagas holds 623,600 shares. Through these holdings, Coniagas received 623,600 shares of Pamour Porcupine at 20 cents per share. These shares are now being turned over to Coniagas shareholders at the same price.

At the Mines

Blue Star Mines—Surface stripping on the property of Blue Star Mines, in the Kenora district of Ontario has disclosed the new vein, reported in a recent issue of The Financial Post, for over 1,000 ft. in length, W. J. Hacker, mine manager reports.

* * *

Bralorne Mines Ltd. — Bridge River, B.C. producer, reports that May production totalled 5,699 ounces from 14,522 tons of ore milled. This, at $35 per ounce gold, works out to a recovery per ton of about $13.73, and compares with a recovery of 4,526 ounces from 14,413 tons milled in April.

* * *

International Nickel—To balance the increase being made in the smelter at Copper Cliff, Ontario, International Nickel Co. is enlarging its electrolytic nickel refinery at Port Colborne to increase its capacity by 50 per cent.

Find New Vein At God's Lake

Crosscutting west of the shaft on the third and fourth levels at God's Lake Gold Mines has encountered what appears to be a new mineralized zone, about 1,125 ft. west of the shaft, local officials of the company inform The Financial Post

The news was received by wire from the property and at press time no values were forthcoming, but the fact that the new discovery apparently bears no relationship to other known zones is seen as having some significance. Drilling 1,370 ft. west of the shaft encountered some high grade material at about the third or fourth level, but the crosscuts on these levels have still some 200 ft. to go before entering this area.

Shaft sinking is continuing to an objective of 925 ft. with two new levels to be established at 725 ft. and 875 ft. on which lateral development will be carried out.

Shaft Sinking Under Way At Glenora Gold Mines

Shaft sinking is now well under way at Glenora Gold Mines property in the East Kirkland Lake field. The shaft was started by the use of a portable compressor and derrick and was sunk to a depth of 36 ft., at which time operations were suspended for the purpose of constructing the head-frame.

Hydro-Electric Power was made available May 10, and sinking operations were immediately resumed. As at May 28, T. J. Day, president, reports the shaft was down to a depth of 60 ft. Present plans call for a 500 ft. shaft with stations at the 150, 300 and 450-ft. levels. It is proposed to crosscut to the vein on each of these levels, and to drift on the vein for probably 1,000 ft. on the 450-ft. level. About 20 men are employed on the property, and the work is under the management of B. A. Newton.

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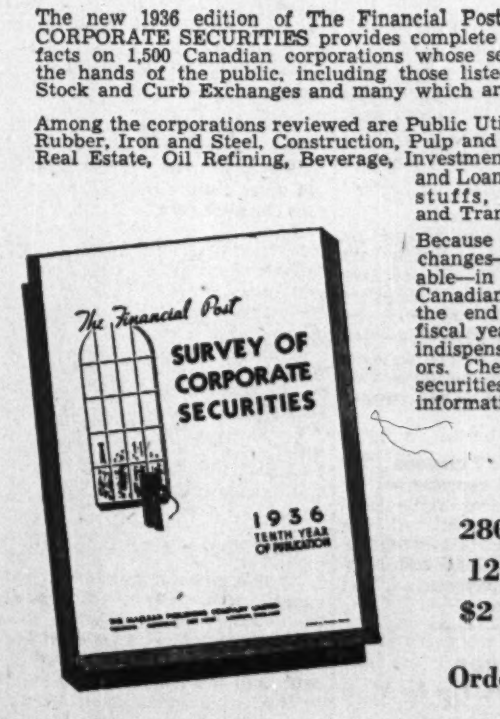

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Pioneer Gold Deeper Work Has Promise

Cost Reduction Also Outlined for Shareholders

ASSAYS ARE HIGH

From Our Own Correspondent

VANCOUVER.—Lower workings of the Pioneer mine in the Bridge River district are more promising than those above the 14th level, according to President Victor Spencer, who read to the annual general shareholders meeting a report by Dr. Howard T. James, general manager.

The ore assays in some places more than two ounces to the ton, in others from half an ounce to an ounce and a half, approximately.

Mill production may be down somewhat during the drifting operations, as it will be necessary to handle considerable waste. However, it is intended to enlarge capacity for sorting the ore closer than will be done at first. The ore where drifted into the lower workings is of varying widths and in one place on the 21st level it is more than 5 feet wide. In other places it pitches and swells alternately.

Col. Spencer said the recent strike on Pacific Eastern could be regarded as encouraging, as much of the area between Pioneer and the Pacific Eastern property is held by Pioneer.

Costs Reduced

Mining and milling costs have been reduced during the past year to $4.64 per ton, the total cost per ton, including all items of expense, being $5.91. The year's average costs however, include a considerable volume of broken ore not yet marketed.

Charles Kaeding, of Toronto, was formally added to the board of directors at the meeting.

Silver Exchange Elect New Slate

Grant Johnston President of Commodity Traders for 1936-37

From Our Own Correspondent

MONTREAL.—Grant Johnson of Grant Johnson and Co. has been elected president of Canadian Commodity Exchange for 1936-37. He succeeds Maurice Forget, whose term has expired.

K. H. Olive, of Olive and Dorion, has been elected vice-president and A. E. D. Germain, of R. Moat and Co., treasurer.

Mr. Johnson has a revised committee which now makes provision for representation for each of the group interested in exchange. The board consists of 15 members; 5 for silver, 5 for produce and 5 for nontrade.

New Board Elected

The new board, elected by acclamation, comprises:

Produce: H. T. Chisholm, Toronto, of H. T. Chisholm and Co.; J. F. Desmarais, Montreal, President of Co-operative Federee de Quebec; John Freeman, Montreal, of Lovell and Christmas (Canada) Limited; A. F. McGillis, Montreal, vice-president of Alex. D. McGillis and Co. Ltd., and K. H. Olive, Montreal.

Silver: A. S. Beaubien, Montreal, of L. G. Beaubien and Co.; L. S. Colwell, Montreal, of Abbott, Proctor and Paine; Russell Cowans, Montreal, of McDougall and Cowans; G. C. Liersch, Montreal, of C. J. Hodgson and Co.; Paul Linz, New York, of Carl M. Loeb and Co.

Non-Trade: J. Chaput, of Brault and Chaput; H. J. Child, of Holt, Rankin and Child; Grant Johnston, of Grant Johnston and Co.; A. E. D. Tremain, of R. Moat and Co.; and J. B. Weir, of Oswald and Drinkwater, all of Montreal.

Current Chatter From B. C.

Cariboo Mill Ready

From Our Own Correspondent

VANCOUVER. — Cariboo Gold Quartz will be operating its 150-ton mill by mid-June, and within a month of that time the mill will be on a 200-ton basis, according to present expectations.

The power plant of Cariboo Gold Quartz was destroyed by fire last winter, and since then mining and milling have been severely curtailed, although the company was insured against loss by "use and occupancy" provisions.

Cariboo Gold Quartz declared its third quarterly dividend of 2½ cents a share, payable July 2, to shareholders of record June 6.

* * *

Kootenay Belle's Ore

Ore reserves estimated to be worth nearly $1,000,000 have been revealed at the Kootenay Belle property by W. G. Norrie-Lowenthal, engineer whose survey was announced in the company's annual report.

* * *

B. C. Nickel Drills

Diamond drills have picked up the promising Pride of Emory ore body at the B. C. Nickel property near Choate, with good values on the main tunnel, 700 feet from the surface outcrop. Considerable more drilling is required before an estimate of tonnage can be given, but the body is regarded as the strongest yet located.

* * *

B. R. Mountain Financed

London interests represented by L. E. Bernacchi have undertaken to finance development at the Bridge River Mountain property adjacent to Pioneer Gold and have already made two payments under an option agreement.

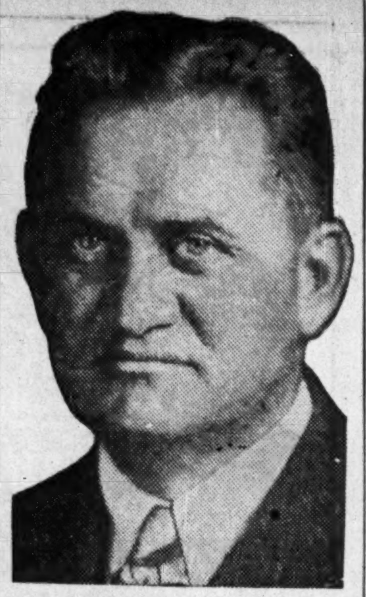
Siscoe Gold Mines Recovery Up in May

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines reports May production of gold valued at $193,496, compared with $192,139 in the previous month and $182,382 in May last year.

Gold milled last month averaged $14 a ton as against $13.08 in April and $14.90 in May, 1935.

Tonnage handled in May totalled 14,338 tons. This compares with 14,340 tons in April and 12,973 tons in May a year ago.



—Walter Scott Shinn photo.

BULLISH ON GOLD

"Ben" Smith less widely known as Bernard E. Smith who has been appointed to the newly formed post of vice-president of McIntyre Porcupine Mines, large Porcupine gold producer. Mr. Smith, whose bearish activities in the past earned for him the title "Sell 'Em Ben," has now become known as America's Number One bull on gold mining shares. While Mr. Smith has interested himself for some time in Canadian golds this is one of the few times he has allowed himself to be appointed to an official position other than that of director.

Bulolo Gold Warrants Called for Trading

From Our Own Correspondent

MONTREAL.—Subscription warrants to new stock of Bulolo Gold Dredging were called for trading this week on the Montreal Curb market on a "when, as and if issued" basis.

The warrants arise out of the recent offer by the company to shareholders to subscribe to new stock at $20 a share on the basis of one new share for each 16 shares or multiples thereof. Each subscription warrant represents the rights on 16 shares.

Sorting the Mines

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock is being dealt with in alphabetical order as space permits.

Independence Gold Mining Co.

This stock, which is traded on the Vancouver Stock Exchange, represents an equity in a gold-silver prospect of 25 claims, some 11 miles from Stewart, B.C., in the Portland Canal district. The property has been inactive since 1929, although, from work done, it appears to have some speculative interest. Most of the work has been on Nos. 1 and 2 veins, although 10 other veins have been found. Values in gold, silver, and some lead zinc and copper have been obtained.

The company has an authorized capitalization of 3,250,000 common shares, $1 par value, and 250,000 preferred shares, $1 par value. Of the common stock, 2,083,455 shares have been issued. The preferred stock, which reverts to common stock when par value has been paid in dividends, is all issued, and all held by Revenue Mining Co., which has advanced the money for development.

Price Range of Stock

	High	Low	Last
1935			
Common	.01¾	.00½	.00½
1936			
Common	.02	.00¼	.01

Indian Mines Corp. Ltd.

This is another Vancouver listed stock which has been inactive for several years. The property covers 222 acres between the Premier and Big Missouri Mines in the Portland Canal area. A considerable amount of work was done on the property prior to 1926, when work was suspended.

Three tunnels total 3,250 ft. in length, and values in gold, silver, lead and zinc have been obtained. The property is equipped with Diesel engine, compressor and other mining equipment.

Some speculative interest attaches to this property because of the fact that Consolidated Mining & Smelting Co. is going ahead with its mill for the Big Missouri property, and Indian Mines officials hope that the company's ore can be marketed with Consolidated Smelters and treated in its Big Missouri mill.

The company has an authorized capitalization of 3 million shares, $1 par value, of which 2,701,405 shares have been issued. As at Dec. 31, 1935, the balance sheet showed current assets of $5,237, including cash of $2,383. Current liabilities were $15,093, consisting of two loans with interest at 7 per cent from April 30, 1926.

Price Range of Stock

	High	Low	Last
1935			
Common	.03	.01	.01½
1936			
Common	.03	.02	.02⅛

International Mining Corp.

International Mining Corp. is a widespread prospecting, exploration and holding company, with mining interests throughout the world. Net asset value, taking the company's listed securities at market, and the unlisted securities at cost, of each of the 400,055 common shares outstanding was $22.17, after certain reserves.

The company has had a good earnings record, and increased its dividend payments from 15 cents per share in 1934 to 65 cents per share in 1935.

From the point of view of market value by far the largest of the corporation's investments in common stocks is in Bulolo Gold Dredging Ltd., in which company International Mining Corp. held stock to the value of $3,579,750 as at Dec. 31, 1935. As for purely Canadian mining companies, the Corporation has holdings in Consolidated Mining & Smelting Co., Hard Rock Gold Mines, Hudson Bay Mining & Smelting Co. Noranda, Wright Hargreaves Mines, and Northern Chibougamau Mines.

The corporation, which has several Canadian directors, including Sir Herbert Holt, Richard O. Johnson, and James Y. Murdoch, has always been interested in Canadian mining development, and in the latest annual report, H. W. Chadbourne, president, told shareholders that, through International Mining Corp. (Canada) Ltd., subsidiary, it was planned to devote even more attention to Canadian mining.

The company has a strong working capital position, which, at Dec. 31, 1935, stood at $1,177,284.

The company's authorized capitalization consists of 10,000 cumulative preferred shares of no par value, none of which are outstanding, and 1,150,000 common shares of which 400,055 are outstanding in the hands of the public. As at March 31, 1936, there were outstanding purchase warrants entitling the holders to purchase 523,945 shares of common stock at $10 per share, on or before Sept. 1, 1939.

Price Range of Stock

	High	Low	Last
1935			
Common	15.35	11.35	13.35
Warrants	6.50	5.00	5.00
1936			
Common	14.25	11.00	11.00
Warrants	4.50	4.10	4.50

Mining Enquiries

Toric Mines

Could you furnish me with any information regarding "Toric Mines" in British Columbia, of which I am the holder of 500 shares?

For some years I have not heard anything about this concern, though I am given to understand it is still in existence, though under another name.

Toric Mines is a holding company owning a 25 per cent stock interest in Torbrit Mining Co., a subsidiary of Britannia Mining & Smelting Co. Previously, Toric owned 98 acres of silver-lead-gold lands north of Alice Arm, British Columbia, which were acquired in 1929 by Torbrit Mining Co., formed to operate the property. Torbrit Mining Co. is inactive, and therefore the principal asset of Toric has potential value only. We know of no market for the stock at present time. The address of Toric Mines Co. is 1422 Standard Bank Bldg., Vancouver, B.C. The company has an authorized capitalization of $1 million in $5 par value stock, of which $720,950 was outstanding at last report.

Texas-Canadian Oil

Texas-Canadian dropped recently from $4.50 to $2.20 in one week, and has since stayed around the last figure. Is this a normal market drop, or is it due to some internal reorganization?

The proposal made in March of this year, whereby Texas-Canadian Oil Corp. Ltd. would issue an additional 1.5 million common shares of $1 par value, received the approval of shareholders at the meeting held April 9. Of the new shares, on April 30, shareholders of record April 15, 1936, received one additional share for each share held.

Thus, from an original authorized capitalization of $1 million in $1 par value stock, the authorized capitalization of Texas-Canadian was increased to $2.5 millions in $1 par value stock. It is this dilution which is responsible for the cut in the market value of the stock. However, of course, since shareholders now hold twice as many shares as previously, the net equity remains unchanged.

Patricia Dent

Have you any information on Patricia Dent Gold Mines in the Red Lake district?

After being inactive for many months, Patricia Dent Gold Mines claims to have obtained sufficient funds to carry out a diamond drilling programme on its property. To date, the property has seen only a limited amount of development work, and has not given any particularly significant results. Drills are already on the property, and until some drilling results are obtained, the proposition remains a stab in the dark. The company is backed by experienced mining men.

O'Brien Gold Mines

Would you kindly forward me a report on O'Brien Gold Mines. I would be glad if you would also advise me if your Survey of Mines contain the addresses of the various mining companies' offices.

O'Brien Gold Mines is a gold producing property in Cadillac Twp. of Quebec.

O'Brien went into production in February, 1933, having been developed privately by M. J. O'Brien Limited, as the Cadillac-O'Brien mine. The future of this property will largely depend on results obtained from lateral work done on the four new levels. Recently, the company ran into exceptionally high grade ore on the 7th and 8th levels, and while it is not yet known how extensive these ore bodies are, the discoveries undoubtedly enhance the outlook for the company. The present mill is operating at an average of about 75 tons per day.

O'Brien Gold Mines has capable and experienced management, and affairs of the company have been handled in a business like manner. While present market prices appear to be fairly well discounting the immediate possibilities, O'Brien is generally regarded as one of the more promising young gold producers in the Quebec field. The company has an authorized capitalization of $4 millions in $1 par value stock, of which $3,250,000 is outstanding.

The Survey of Mines gives both the head office address, and, where the company has an office at the mine, the mine office address. In addition, the new section listing dead and dormant companies, also gives the most up-to-date address.

Thompson Cadillac

A client of ours holds some stock in Thompson Cadillac Mines but has heard no news for some little time.

Can you furnish us with any information regarding the present status, together with any information you may have available as to recent developments?

Thompson Cadillac Mines was declared bankrupt in November 1934. In March, 1935, Thompson Cadillac Mining Corp. was formed to purchase the assets of Thompson Cadillac Mines. Under the terms of the purchase, shareholders of Thompson Cadillac Mines were allotted one share of the new company for each five shares held of Thompson Cadillac Mines Limited, and the right to purchase one new share at 10 cents per share for each ten shares of the old company held. This stock was placed in escrow for not less than six months but not more than two years from March 28, 1935, as the registrar under the Securities Act of Quebec prescribed.

Since the formation of Thompson Cadillac Mining Corp., development of the property has been encouraging, and milling operations were resumed a few weeks ago on the basis of 50 to 60 tons per day.

The exchange of stock was available to shareholders of record at the close of business, April 10, 1935. Since your client is not aware of this change, we presume that the stock is not held in his name. Might we suggest that you get in touch with the Eastern Trust Co., Montreal, who are handling the books of the new company in this regard.

Hollinger Consolidated

I hold quite a substantial amount of Hollinger Consolidated, and have been debating in my own mind whether this is a satisfactory investment, or whether I would do well to get into some other senior gold stock which may have a greater chance of enhancing its stock value. Your opinion would be appreciated.

Hollinger Consolidated Gold Mines will probably show higher earnings in 1936, due to lower taxes. In addition, the company should mill a higher grade of ore, since much of the lower grade in the upper levels, cleaned-up while gold prices were at their current level, will have been utilized. Hollinger has a policy of paying virtually all earnings in dividends, as opposed to the policy of, say McIntyre, of building up large cash reserves. Activity in Hollinger's outside mining ventures has proved profitable, and the company has some prospects under development in various parts of the Ontario and Quebec fields. The outlook for this stock is, of course, dependent largely on the future price of gold, but in the meantime with a yield at current prices of about 6 per cent, Hollinger certainly appears to be a satisfactory investment.

East Malartic Mines Makes Start on Shaft

J. P. Norie, general manager of East Malartic Mines, states that during the first two weeks of April, No. 1 shaft was deepened in rock. Framing of the No. 1 headframe started April 10, and the hoist foundation for No. 1 shaft was poured. Work has started on the power house building to house the compressor hoist and temporary mine store house.

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Development of this property is continuing rapidly and results are definitely satisfactory.

Latest information on request.

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Quebec Adds Four Mines To Producers This Year

From Our Own Correspondent

MONTREAL.—Northwestern Quebec now has 20 metal-producing mines, according to a statement made by John DeMille, consulting geologist, to a meeting of the members of the Montreal Curb Market. Four of these mines came into production this year. The new 1936 producers were Guillet Gold, McIntyre's subsidiary; Shawkey; Stadacona Rouyn and Thompson Cadillac.

Quebec Metal Producing Mines

Mining Property:	Ore Grade 1935 Aver.	Approx. Mill Average 1935	Max. Tonnage Capacity	Date First Production
Arntfield Gold	7.59	165	180	Aug., 1935
Beattie (j)	5.81	1,245	1,400	May, 1933
Bussieres (Treadwell Yukon)		(g)	190	1932
Canadian Malartic (j)		160	300	May, 1935
Granada		160	500	June, 1930
Greene Stabell (a)		70	100	Dec., 1933
Guillet Gold (McIntyre)		....	100	Aug., 1936
Lamaque (Teck-Hughes)	12.45	250	500	Apr., 1935
McWatters		70	150	Sept., 1934
Noranda Mines (a)	7.92	5,250	5,500	Dec., 1927
O'Brien Cadillac		(1)	150	Sept., 1932
Perron (Matthews)		25	140	1933
Shawkey Gold		....	150	Mar., 1936
Siscoe Gold	13.25	415	450	Jan., 1929
Stadacona		....	200	Sept., 1936
Sullivan Cons.	15.15	100	300	May, 1934
Cons. Copper & Sulphur (Eustis) (x)		(1)	200	1865
Tetreault (u)		(1)	500	1913
Thompson Cadillac		....	150	May, 1936

(a)—Copper-gold producer. (g)—Production temporarily suspended. (j)—Controlled by Ventures Ltd. (x)—Continuous operation since 1879; copper and sulphur concentrates shipped to U. S. (u)—Gold-silver-lead-zinc producer. (1)—Not reported

Sulphur Sought In Copper Area

It is not generally realized that 30 years ago Newfoundland was the sixth largest copper producer in the world. That was when copper was selling at a profitable level; most producers have since closed down.

There is a prospect that old mines may be reopened, however. But not primarily for copper. A good deal of geophysical work is being carried on and extensive diamond drilling is planned, chiefly for sulphur, although copper is a consideration.

Hans Lundberg, discoverer of the Lucky Strike mine at Buchans, is at present working on the property of the old Green Bay Copper Co. If he can prove content of 40 per cent sulphur and 2 per cent copper in the ore, it is understood that Texas Gulf Sulphur, the world's largest producer, will be definitely interested.

Texas Gulf has a method of separating the sulphur, in use in Norway ore, which is claimed to be much better than any now in use, for certain types of ore. Mr. Lundberg claims that his investigations of the past three years leads him to believe that the Newfoundland ore can be so treated. In all, Mr. Lundberg has staked some 76 claims; he holds some 20 miles of territory under option. He is also interested in base metal and gold mining prospects.

Gold Lake Mines Stock on Market

W. C. Pitfield and Co. and Anglo-Huronian Finance Prospect

From Our Own Correspondent

MONTREAL.—W. C. Pitfield and Co. is making an offering of common stock in Gold Lake Mines Ltd.

This company was incorporated in Manitoba two years ago to take over and develop mineral claims formerly held by Gold Lake Area Manitoba Mines Ltd. The authorized capitalization is 3 million shares of no par value, of which 1,328,601 shares have been allotted. Of the latter number 800,000 shares have been issued for property.

Property consists of a group of 21 claims having a combined area of approximately 950 acres, located about three miles south of San Antonio Gold Mines in the Rice Lake area.

Buy Vanson Plant

Last October the company purchased the mining plant, including the power line, of Vanson Manitoba Mines Ltd., for 125,000 shares of capital stock.

W. C. Pitfield & Co. in association with Anglo-Huronian Ltd. has undertaken to finance the company's development programme. Should further work show satisfactory results, arrangements have been made to raise the necessary funds to bring the property into production.

Casey Summit Plans Argosy Distribution

Directors of Casey Summit Gold Mines have decided to distribute at once its holdings, amounting to 1,150,000 shares of Argosy Gold Mines, to shareholders. This stock will be in pool until November, 16, 1936, and the distribution is subject to the pool. The Argosy stock, to be distributed on the basis of 226 Argosy shares for each 1,000 Casey Summit shares held, are in the hands of the Toronto General Trusts Corp.

Casey Summit plans to surrender its charter, and a special general meeting has been summoned for June 15, to deal with this matter.

Mooshla Reorganizes Arranges Its Finances

Shareholders of Mooshla Gold Mines Ltd., at a special general meeting recently, confirmed sale of the company's assets to a new company to be known as Mooshla Gold Mines Co. Ltd., for 1,300,000 shares and $6,000 in cash. Old shareholders should receive about 100 shares of $1 stock in the new company for one share of $10 stock in the old.

The new company has arranged a contract with Draper Dobie & Co. involving a firm commitment of $50,000 and carrying options on the whole of the treasury stock which, if exercised, would net the new company $792,000 including the firm commitment. The property which is in Bousquet Twp., Quebec, is already being developed, immediate plans calling for the enlarging and deepening the "A" shaft to 360 ft., and establishing two more levels.

New Map Shows Details Of Major Mine Areas

The Financial Post has received a comprehensive map, covering the mining areas of Ontario and Quebec, prepared by Norman A. Nunn, map specialist of Toronto.

The main map shows the location of 28 active mining areas from Kenora and Red Lake on the west, to Chibougamau on the east and south to the mineral area of south eastern Ontario.

Bordering the main map, are larger scale maps covering, in detail the 28 areas shown in the larger map. Names of individual companies are shown, In addition, there is a small-scale map showing the location of the chief mining areas in the Dominion of Canada.

The whole is about 42 inches by 34 inches, on linen, and forms an important contribution to the statistical end of mining.

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TO
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A mine to be successful must have certain definite minimum requirements as to length of ore, width and depth, all of which are factors of the developed tonnage or ORE RESERVES. By selecting those mines which have these minimum requirements in the stage preceding production, the investor is bound to make money.

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THE DRILLS SHOULD TELL THE STORY

A few more days and the diamond drill now on Capital Rouyn Mines' property in Chibougamau should be probing beneath the overburden.

On the property adjoining on the west, Noranda has outlined by drilling an ore body reported officially as 800 ft. long, 4.5 ft. wide, 500 ft. deep, averaging $12 gold per ton.

This would seem to indicate a proven mine of sizable proportions. It seems only reasonable that drilling on Capital Rouyn's property will prove up the continuation of these veins and values.

On Northern Chibougamau Mines (adjoining on the north) the major showing is reported as carrying commercial values over good mineable widths and to be dipping 45 degrees south, which should bring the ore body into Capital Rouyn ground.

Julius Cohen, M.E., an engineer of Dominion-wide repute, recommended a campaign of drilling. The recommendation is being carried out.

Soon the drill cores should begin to tell their story. It may be an exciting story, one of great significance, to stockholders.

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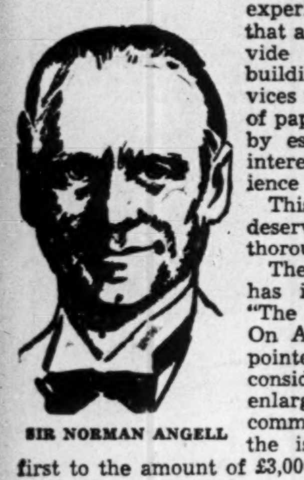
"The Money Mystery" by Sir Norman Angell

Noted Writer Deals With Money and Credit In Plain Language

Sir Norman Angell in this, the eleventh of a series of articles on money and credit, analyzes an apparently successful experiment in "paper money."



SIR NORMAN ANGELL

Last week I made reference to the building of the Guernsey Market House, which was financed by an issue of paper notes. Ardent currency theorists have often cited this paper money experiment as evidence that a community can provide itself with public buildings and similar services through the issuance of paper money and thereby escape the burden of interest and the inconvenience of loans.

This historic example is deserving of a more thorough study.

The island of Guernsey has its own parliament: "The states" (les Etats). On April 12, 1815, it appointed a committee to consider a scheme for enlarging the market. The committee recommended the issue of state notes, first to the amount of £3,000.

As the report of the committee reads:

> "Thus at the end of ten years, all the notes would be cancelled and the States would be in possession of an income of £150 per annum which would be a return of £3,000 spent by them. Looked at from all sides, the scheme shows nothing but the greatest advantages for the public and for the States."

The next issue of notes seems to have been to pay off the floating debt. On June 14, 1820, the States authorized the issue of four thousand one-pound notes for this purpose.

In writing a preface to an interesting book by Theodore Harris which tells the story of the enterprise, Sidney Webb remarks that to many a humble student of money problems the Guernsey market house seemed, in some mysterious way, to have been exempt from that servitude to previously accumulated capital in which the whole creation groaneth and travaileth. By the simple expedient of paying for the work in government notes—issued to the purveyors of material, the master-workmen and the operatives, accepted as currency throughout the island, and eventually redeemed out of the annual market revenues—all tribute to the capitalist was, it is frequently argued, avoided. In fact of this successful experiment, the fact that we, in Canada and England, continue to raise loans and subject ourselves to "drag at each remove a lengthening chain" of interest on public debt, often seemed so perplexingly foolish as to be inexplicable, except as the outcome of some deep-laid plot of the "money power."

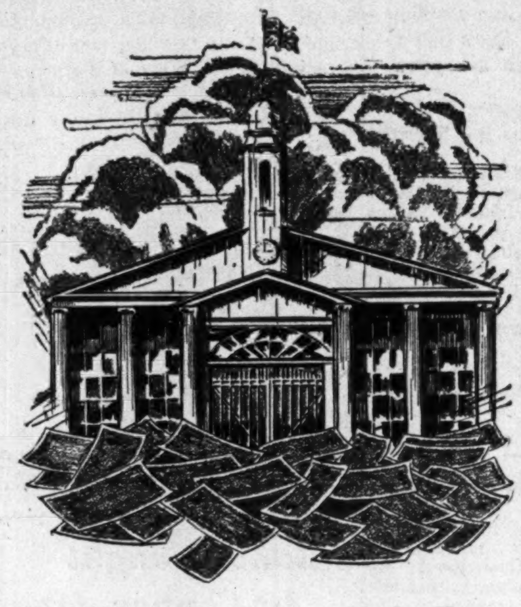
All Facts Not Known

What really happened, however, Mr. Webb explains:

> "What the Guernsey community did was that which nearly every community has done at one time or another, namely, issue paper money. The part of the story that we do not know is (a) what, thereupon, happened to the aggregate amount of 'currency' of all kinds then in circulation within the island, in relation to the work which that currency had to do; (b) what happened to the prices of commodities.
>
> "It may well have been that the issue of paper money was promptly followed by some shipments of metallic money to England or France—perhaps even in payment for imported materials for the market house—so that the aggregate amount of currency in the island was not in fact increased. Accordingly, no change in prices may have taken place.
>
> "In such a case, Guernsey would merely have substituted paper for gold in its currency. The gold-capital heretofore in use as currency, and there, of course, yielding no capitalist any toll of interest, would, in effect, have been borrowed to expend upon the building of the market house. And, as paper money probably served the purposes of the island every bit as well as gold, nobody was any the worse.
>
> "By giving up the needless extravagance of using gold coins as counters, and by taking to paper counters instead, Guernsey really got its Market house without cost. The same resource is open to any community already possessing a gold currency, and becoming civilized and self-restrained and sensible enough to arrange to do without gold counters in its internal trade. But Guernsey could not have gone on equipping itself with endless municipal buildings as out of a bottomless purse. The resource is a limited one. This is a trick which can only be played once. When the gold has been withdrawn from the currency, and diverted to another use, there is no more left with which to repeat the apparent miracle.
>
> "On the other hand, there may easily have been no special shipments of metallic money from the island, and the aggregate 'currency' may have been increased, in relation to the work that it had to do, by the amount of the note issue. In that case, the economist would expect to see a gradual and silent rise in price."

Currency Dearth Possible

But Mr. Webb points out that there is a third hypothesis. There may have been, before the note issue, an actual dearth of currency, or a growing disproportion between the amount of the currency and the work it had to do. Mr. Harris infers from his reading that such a stringency had been actually experienced in Guernsey, and that it was for this reason that successive attempts were made to prevent foreign coins from being gradually withdrawn from the island. Such a stringency, the economist would infer, would produce a progressive fall of prices, leading, by the silent operations of external trade, to a gradual readjustment of the amount of currency in circulation, by influx of gold from outside, until a new equilibrium had been reached. If the Guernsey Government's note issue happened to be made at such a moment, it may well have taken the place of the hypothetical inflow of gold, so far as the island currency was concerned. It may even have averted a fall in prices that would otherwise have taken place, the economic effect on the consumer's pockets being in that case much the same as if an actual rise had occurred. But the Guernsey Government, on this hypothesis, would by substituting paper for gold, have gained for the community the equivalent of the cost of the addition to the gold currency which expanding population and trade were making necessary; and this gain was expended in building the market house.



The building of the Guernsey Market House by the issue of pound notes is the story of a successful experiment in inconvertible paper money.

Mr. Webb goes on:

> "If prices generally did rise, in consequence of the issue of the paper money, even by only one halfpenny in the shilling—if eggs, for instance, sold twenty-four for a shilling, instead of twenty-five—this represented a burden laid on the Guernsey people as consumers, exactly analogous to a tax (say on octroi duty) of four per cent on all their purchases. On this hypothesis, which I carefully abstain from presenting as anything but hypothetical, because we are unable to verify it by comparison with the facts, the economist would say that this burden or tax was what they imposed on themselves, and notably upon the poor, by increasing the currency instead of borrowing the capital from elsewhere. Instead of paying interest on a loan (to be levied, perhaps, as an income-tax on incomes over a certain minimum) they unwittingly chose to pay more for their bread and butter. The seriousness of this possible result lies in the definitely ascertained fact that salaries and wages rise more slowly, and usually to a smaller extent, than the price of commodities."

Does Paper Money Pay?

Mr. Webb's explanation, though entirely correct, might tend to obscure the facts which most concern us in this connection. It is not a question whether paper money devices will enable people to get things for nothing, but whether this method of credit expansion, even sometimes at a cost of raising the price-level, may not be the best way of paying for them; and whether paper money, anchored to an index figure, is not a more just, more manageable and more efficient money when wisely used, than one anchored to one commodity like gold. Guernsey's method had obvious advantages, and speaking broadly, achieved its objects and was successful.

Let the reader recall the very different history of the paper money experiments made elsewhere. What, in brief, explains the difference of experience? Why did Guernsey succeed where others failed?

It was not the mere fact that the notes were "backed by property" that saved the Guernsey experiment. John Law would have argued that his notes were backed by "the wealth of the whole Mississippi valley." But it was to be a century or more before that wealth was to be produced in any quantity, and its exchanges call for money. If a quantity of money suitable for a population of a hundred million and the number of transactions which mark the year 1900 is to be applied to the business transactions and the population of a France of the eighteenth century, you will get the result which Law's system finally produced, the results which were produced again in the inflations of the French Revolution, of the American Confederacy, of every Spanish-American republic of the nineteenth century, of the Central European inflations of the twentieth. It is not "backing" which of itself is the determining factor, but quantity in relation to exchanges needing to be operated.

The Guernsey experiment succeeded where others failed because the Guernsey notes (those issued in connection with the Market house) were strictly limited in amount, issued with reference to revenue-bearing property shortly to become fruitful, "goods moving into consumption." Each note stood for consumable goods, which, if not actually in being, were coming into being; and the issues were limited to the value of those goods (the goods in the particular issue under consideration being the Market house.) In the case of John Law's scheme and, e.g., the American paper money experiments previously referred to, the notes, on the other hand, were issued in amounts that had no reference to goods shortly to be produced. If any principle of limitation was applied at all, it had no ascertainable relation to commodities, save a vague potential value of land. Guernsey, by relating the notes to the tangible, visible, specific piece of property, did two things; gave confidence and applied discernible limitation. The American notes did neither.

Not Simple Mechanical Process

It must not be assumed from the foregoing that the value of money can be stabilized by some quite simple mechanical method of balancing money on the one side, and goods and exchange on the other.

What the story of paper money in its two aspects—the disastrous and the successful—does is to furnish us a few simple tests by which we may judge the character of monetary schemes which reformers of various schools may suggest. How these tests may be applied will be considered in a later article.

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Well . . . I see that Parliament is still hard at work . . . If I were a young fellow trying to pick a career, I believe I'd aim at being a Member of Parliament . . . It's kind of uncertain and hard to get started at . . . But once you're in—and as long as you stay in—you're sitting pretty . . . Running the country . . . And Parliament Hill and the terrace of the Chateau Laurier look to me like pretty good places to discuss national affairs . . . especially in the aroma of a Bachelor Cigar.

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5-Year High For Chemicals

Industry's Output in 1935 Reaches $116 Millions

Chemical production in Canada moved forward to a five-year high in 1935, according to official figures prepared by the Dominion Bureau of Statistics at Ottawa.

Value of production in Canada's 740 plants was $116.3 millions at factory prices—a gain of 7.7 per cent over the corresponding figure of 1934, and a jump of 20.2 per cent over 1933's total. Output was the highest for any year since 1930.

The gain in employment over the preceding year was 9.8 per cent, and the increase in salaries and wages paid was 12.5 per cent.

Soap Output up 17 Per Cent

Largest percentage gain for the year was in coal tar distillation group where value of production soared 30 per cent. Output of soaps and washing compounds jumped 17 per cent during the year on a value basis, while many others showed gains of over 10 per cent.

One feature of the chemical industry in Canada in recent years has been the substantial gain in relative volume of imports from United Kingdom. Thus of total imports in 1935 of $29.7 millions, over 21 per cent or $6.3 millions came from United Kingdom. The ratio in 1934 was 29 per cent and in 1933, 22 per cent. All figures are substantially higher than the ratio prior to the Ottawa agreements.

Thus, in 1932 only 16.9 per cent came from United Kingdom, while the average for the preceding 5 years was but 13 per cent.

Imports from United States have dropped proportionately, the ratio in 1935 being 58.7 per cent compared with 62 per cent in 1932, and an average of 67 per cent for the preceding five years.

Comparative production figures for chief groups in the Canadian chemical industry follow:

Selling Value at Works of Canadian Chemical Production
(000) omitted

	1935 $	1934 $	% Chge.
Medicinals & pharmaceuticals	20,829	19,484	+ 7
Paints, pigments & varnishes	20,031	18,618	+ 8
Acids, alkalies & salts	18,367	16,494	+ 11
Soaps & washing compounds	16,076	13,614	+ 17
Explosives, ammunition & fireworks	8,551	9,037	— 5
Miscellaneous	7,846	8,137	— 4
Fertilizers	5,947	5,467	+ 9
Toilet preparations	5,917	5,977	— 1
Compressed gases	3,082	2,803	+ 10
Inks	2,748	2,411	+ 14
Coal tar distillation	2,617	2,004	+ 30
Polishes & dressings	2,066	1,918	+ 8
Adhesives	1,463	1,307	+ 12
Wood distillation	804	774	+ 4
Total	116,351	108,052	+7.7

Trans-Canada Air Service Held Unlikely Until 1937

From Our Own Correspondent

OTTAWA — Early settlement of the trans-Canada airmail contract will be sought by the government. It is understood that, while the nature of the set-up has still to be considered, Canadian Airways will be an essential part of it. The announcement should be made before Aug. 1.

Back of the decision to move more rapidly with the airmail contract is a difficult problem of administration. Practically all of the small airmail contracts into northern areas have expired and great pressure is being exerted on the government to renew them by tender. These contracts, with one or two exceptions, were held by Canadian Airways and the services are still being carried on by this company, in the absence of contracts, at the former rates.

The drive for the calling of tenders, it is believed, comes from the small aviation companies.

But while the government is hurrying forward with its trans-Canada airmail contract plans, little attention is being paid to the completion of the airway fields across the country. Much time, this season, has already been lost through lack of energetic administrative measures at Ottawa and unless the cabinet moves speedily the whole 1936 construction season will bring very little progress in putting the landing fields, radio aids, etc., into shape. This would throw the launching of the transcontinental service into 1938, instead of 1937. The western section would not be in shape for operation until 1938 and the eastern end until 1939.

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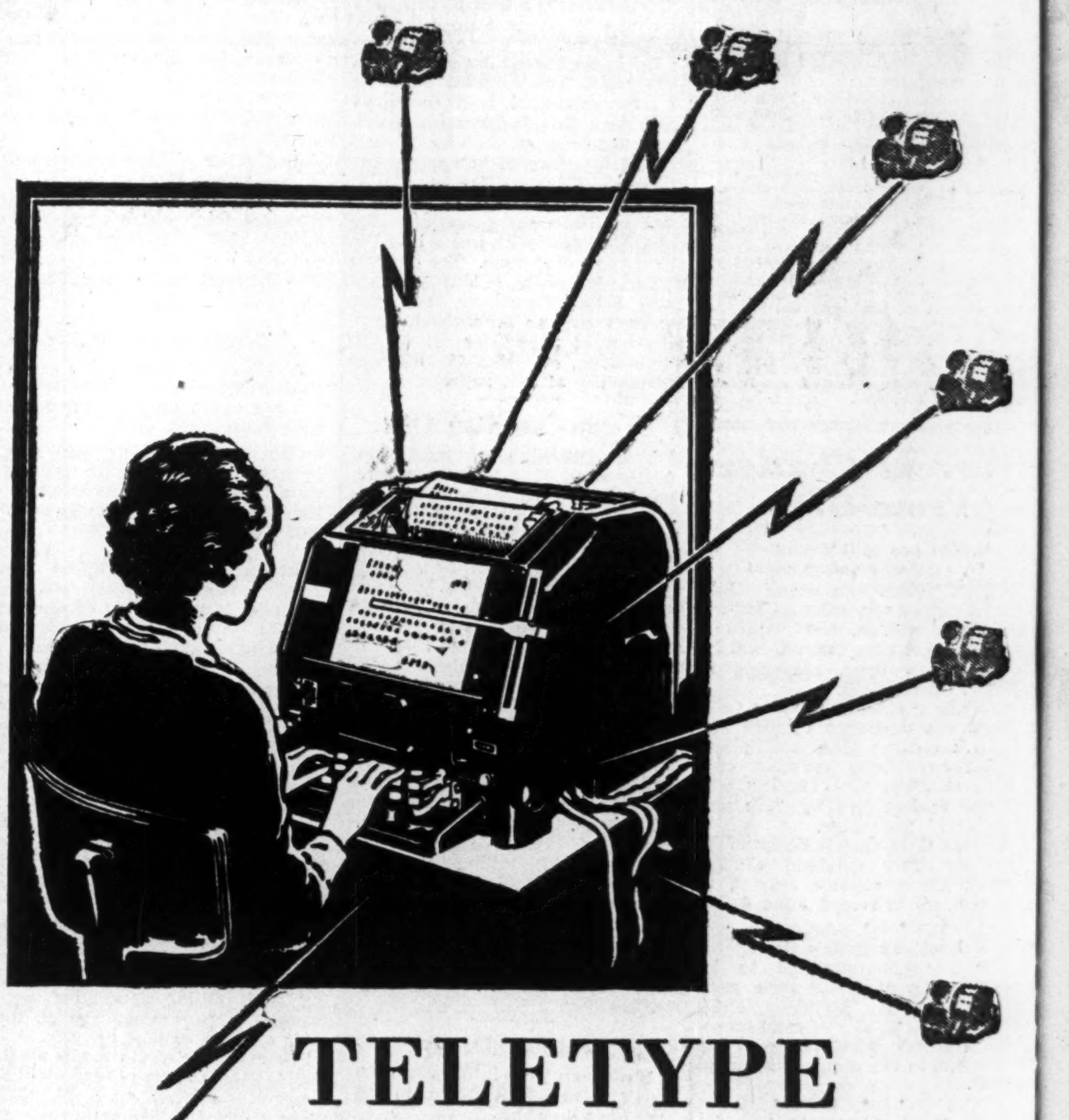

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